

**NOMINATIONS OF THE 110TH
CONGRESS—FIRST SESSION**

HEARINGS

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE**

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

—
JANUARY 30 THROUGH DECEMBER 19, 2007
—

Printed for the use of the Committee on Foreign Relations



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

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110TH CONGRESS—SECOND SESSION

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*Note: Appointed February 12, 2008.

NOMINATIONS

TUESDAY, SEPTEMBER 25, 2007

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

Fannin, P. Robert, to be Ambassador to the Dominican Republic
Johnson, David T., to be Assistant Secretary of State for International Narcotics and Law Enforcement Affairs
Simons, Paul E., to be Ambassador to the Republic of Chile

The committee met, pursuant to notice, at 2:40 p.m., in room SD-419, Dirksen Senate Office Building, Hon. Benjamin Cardin presiding.

Present: Senators Cardin, Menendez, Corker, and Vitter.
Also present: Senator Kyl.

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

Senator CARDIN. Today the committee meets to consider the nominations of three individuals for key leadership positions in the administration. The President has nominated David Johnson to be the Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, Robert Fannin to be Ambassador to the Dominican Republic, and Paul Simons to be the Ambassador to the Republic of Chile.

I want to congratulate all of you on your nominations, I want to thank you for your public service, and I want to extend a warm welcome, not only to you, but to your families. And I know this is a family effort, and the sacrifice made by the members of the family, and we welcome all of you to the committee.

It's also nice to have Senator Kyl with us today, our colleague and distinguished member from Arizona. He will be introducing Mr. Fannin.

First let me, let me take this time to commend you for your dedication to public service, and your willingness to sacrifice so much to represent our country in a senior administrative position, and the two ambassadorships.

Mr. Johnson, you have been nominated for a very important and difficult assignment—the State Department's Bureau for International Narcotics and Law Enforcement must monitor a broad range of problems, old and new. Whether it's preventing international narcotics trafficking, or trafficking in people, international

organized crime groups must be deterred from crossing international borders to violate human rights and international law.

As the U.S. Ambassador to the OSCE mission, you already have had a breadth of experience and contacts, and your nomination seems to be a good fit. It's good to see you again, and I enjoyed working with you when you were in the OSCE, and I held a position in the House on the OSCE Helsinki Commission.

Mr. Fannin, I'm happy to see that you're joined by my colleague, Senator Kyl, as the United States and the Dominican Republic maintain a very good economic and political relation. The small Caribbean nation contributed 300 troops to the Coalition Force in Iraq until May of 2004. This participation demonstrates the Dominican Republic's commitment to maintaining strong ties with the United States.

Nevertheless, there are challenges. Venezuela's desire to play a stronger role in the region is worrisome. Bolstered by the petrodollars and grant ambition, Venezuela's leadership would benefit from a strategic regional relationship with the Dominican Republic.

Illegal immigration and corruption are two issues the United States has sought improvements on from the Dominican Republic Government. With your background as a highly-respected and skilled lawyer, it appears that you are well-suited to have a positive impact in the Dominican Republic, and I look forward to your testimony.

Following, Mr. Simons, you have the distinction of being nominated to one of Latin America's great economic and political success stories. Thirty years ago, few could have known Chile would have undergone such a miraculous turnaround. Chile has reduced its poverty rate from 39 percent to 14 percent. Chile has been invited to discuss membership in the Organization for Economic Cooperation and Development.

Chile has graduated to a middle-income country, and does not receive economic assistance from the United States. The only notable assistance Chile received recently from Washington was a small grant to help facilitate Chile's military participation in the U.N. stabilization mission, Haiti, an assistance to aid in international law enforcement and counterterrorism and counternarcotics efforts.

Also, Mr. Simons, I appreciate you taking the time out of your schedule last week to pay a courtesy visit to our staff. I thank you and I look forward to your testimony.

Before I recognize Senator Kyl, let me recognize Senator Corker for an opening statement.

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

Senator CORKER. Thank you, Mr. Chairman. It's customary here in the Senate that we give opening statements, I rarely do that. And I just want to say to Senator Kyl, who I know had to wait a few minutes for me to get here, that I'm putting us right back on time by not making one.

I want to thank you for coming today, and thank all of you for your public service. I look forward to a great hearing, and thank you for putting yourselves forward to represent our country in this way.

Senator CARDIN. Senator Menendez.

**STATEMENT OF HON. ROBERT MENENDEZ,
U.S. SENATOR FROM NEW JERSEY**

Senator MENENDEZ. Thank you, Mr. Chairman. I look forward to today's hearing. By someone who has spent 15 years both in the House, and now here in the Senate focused on our relationships abroad, but particularly as it relates to Latin America, I'm looking forward to hearing from our two nominees for the Dominican Republic and Chile—two very different countries, with a very different set of challenges, and important in our hemispheric policy.

I've had the opportunity to speak with Mr. Fannin yesterday, so we had a little sense of what he's thinking about, I look forward to speaking with Mr. Simons. And, of course, Mr. Johnson, on the whole question of international narcotics and law enforcement, that's far beyond this hemisphere, but nonetheless a good part of the hemisphere's challenges are intertwined with that, and I look forward to hearing some of his remarks.

And I'll save the bulk of my time, Mr. Chairman, for the questions.

Senator CARDIN. Senator Kyl, it's a pleasure to have you on our committee.

**STATEMENT OF HON. JON KYL,
U.S. SENATOR FROM ARIZONA**

Senator KYL. Thank you very much, Mr. Chairman. I do appreciate the opportunity to introduce my friend, Bob Fannin, to you. And with your indulgence, I'd like to begin by reading a very short letter from our colleague, Senator McCain, ask that that be inserted in the record, and then I'll make some brief concluding remarks.

Senator CARDIN. Without objection.

Senator KYL. Thank you.

Senator KYL. He says, "To the committee, thank you for holding today's hearing. I would like to express my strong support for the swift confirmation of Mr. Robert Fannin as United States Ambassador to the Dominican Republic.

"I've been privileged to know Bob for over 25 years, and I can personally attest that he is a natural leader, a man of integrity and a true patriot. I commend the President for nominating such an outstanding candidate for this important post.

"Bob has a long history of service to Arizona and our Nation. From his early days as an officer of the United States Air Force, to his current position as a respected attorney in Phoenix, Bob has distinguished himself as a leader in both civic and business communities.

"He's served on the boards of local charitable organizations, financial institutions, and played an essential role in the region's economic development through his involvement with the Arizona Chamber of Commerce.

"His professionalism, thoughtfulness, and experience will make him an effective diplomat and a wonderful representative of the United States abroad. I have every confidence that, if confirmed,

Bob Fannin will contribute immensely to the continuation of our warm relations with the Dominican Republic.

"I urge the committee's expeditious action in moving this nomination to the full Senate, and ask all of my colleagues to support his prompt confirmation."

Mr. Chairman, my colleague, John McCain—I can not say better than his statement, why I believe Bob Fannin would make an excellent Ambassador to the Dominican Republic.

Let me just add two things, however. I've known Bob for well over 30 years, and we've worked together in a variety of civic and community and even political activities in the community. I know of no one—Democrat or Republican—that does not respect Bob Fannin.

He follows a tradition of service. His father served as Governor of the State of Arizona from 1958 to 1964, and served in this body, as a Member of the United States Senate from 1964 to 1976. I don't know of anybody that didn't respect his father, Paul Fannin, during his service here in the United States Senate. Because they are both highly decent, respectful of others' positions, and—as Senator McCain said—natural leaders.

So, I am confident that as he serves, representing our Nation in the Dominican Republic, our friends there will see him the same way that we've seen him in the State of Arizona—as someone who is enjoyable to be with, who you can trust completely, who will always give it to you straight, who will work very hard on matters of mutual interest, and who—at the end of the day—you know that you were glad you were able to work with. He will represent our country very, very well. And I know this, as I said, from over 30 years of personal experience in working with my friend, Bob Fannin.

And, a final note, his wife, Lisa, is here. She is a prominent surgeon, recently—sort of—retired in Phoenix. But, she has served at the Barrow Neurological Institute in Phoenix—one of the finest neurological institutions in the country. And Bob, among his many activities in serving as charities, is emeritus on the board, and was chairman of the board of the Barrow Neurological Institute.

So, his experience in the community goes far beyond policy involvement, but to the eleemosynary activities that are so important to a community, as well.

Thank you, and I thank all three of you for being here. Having been in your position before, it is very important that Senators take the time to learn about our nominees for various positions. And I respect the fact that all three of you are here today doing this. Thank you.

Senator CARDIN. Well, Senator Kyl, we appreciate you being here, and your willingness to help, as far as expediting this nomination. Thank you very much.

Senator KYL. Thank you.

Senator CARDIN. We will now hear from the nominees, first starting with David Johnson.

**STATEMENT OF HON. DAVID T. JOHNSON, NOMINEE TO BE
ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL
NARCOTICS AND LAW ENFORCEMENT AFFAIRS**

Mr. JOHNSON. Thank you, Mr. Chairman.

Mr. Chairman, it's a privilege to appear before the committee today, as the President's nominee as Assistant Secretary of State for International Narcotics and Law Enforcement. I'm honored by the confidence placed in me by the President and the Secretary.

Mr. Chairman, no one arrives at any good point in their life without a great deal of help and encouragement from others, and I've been blessed by much more of that than I deserve.

I'm joined today by my mother, Dixie Johnson, without whom, literally, none of this would have been possible. And, I'm also joined by my wife, Scarlett Swan, with whom I share a wonderful life, three children, and a partnership both at home and abroad. Without her, none of it would have been worthwhile.

I also wish to thank my colleagues and mentors in the State Department in the Foreign Service, as well as throughout our Government. Ours is a collegial profession. No one accomplishes anything themselves, and I wish to acknowledge their friendship, their patience, and their patriotism.

Mr. Chairman, the portfolio I've been nominated to discharge is unique in our Nation's government, or indeed, in any government. What began in the 1970s as an effort to confront a prospect that narcotics from outside our borders could undermine our own society has grown and it has changed. And what once was a very difficult, but narrowly-focused effort, has mushroomed for two reasons.

First, as the instruments of international commerce, communication, and transportation have grown, so have the opportunities grown to undermine our society, and to destabilize friendly, as well as unfriendly, governments.

Second, we've come fully to recognize that ungoverned and ill-governed territories are a threat, not just to their own citizens, but to ours as well.

The State Department's Bureau that, if confirmed, I will lead, has unique skills, talents, and resources to address these threats; to help contain them, and to give our partners abroad the wherewithal to help keep Americans secure by working with us.

Our challenge is to spend our Nation's treasure wisely in both senses of that thought—to be prudent and economical in the programs we craft, and the efforts we undertake, but also to ensure that we stay ahead of the problems of narcotics, crime, and ill-governed and ungoverned societies, so as to limit the threats which Americans face.

You and your colleagues have entrusted us with significant resources, but also given us significant challenges. The almost \$4 billion in taxpayer funds for which, if confirmed, I will be responsible, is an extraordinary sum. But the challenges these monies must address are daunting.

First, we face a continued threat to American society from uncontrolled narcotics, as well as the chemicals to make synthetic drugs. While Plan Colombia has shown what our resources can do when combined with a partner's political will, much remains to be done

in Colombia, as well as elsewhere in Latin America, where problems continue.

Second, we are working along with allies and partners, to help provide Afghanistan and Iraq with the civilian police that can give these war-torn countries the security needed to establish the rule of law. And, in the case of Afghanistan, also to deal with a troubling narcotics problem that, if unaddressed, could undermine every success we've had there.

Third, we face a threat to ourselves, our allies, and our partners from the uncontrolled growth of public corruption, organized crime, and illicit trade in people and in goods. These threats often bound together with terrorism in the same criminal enterprise, may pose the greatest long-term challenge to our society.

In none of these efforts are we working alone. Our partners in the law enforcement community, as well as our diplomatic and military partners, confront the same issues, and are working with us to deal with them. These are long-term threats, sometimes easily ignored in the short-term, but very costly if left unmet. If confirmed, it will be my task to lead an extraordinary group of men and women to confront them, with the goal of making our country safer, and its future more secure.

Mr. Chairman, I've been fortunate in my diplomatic career to have been a manager of people and resources quite early. But nothing compares in scope to the challenge which, if confirmed, you will entrust me in this position. If I am confirmed, I will make myself available to this committee, to your colleagues in both Houses, and your staffs, soliciting your views and support.

I'm grateful for your patience in hearing this statement, and I look forward to your questions. Thank you.

[The prepared statement of Mr. Johnson follows:]

PREPARED STATEMENT OF HON. DAVID T. JOHNSON, NOMINEE TO BE ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS

Mr. Chairman, members of the committee, it is a privilege to appear before you as the President's nominee as Assistant Secretary of State for International Narcotics and Law Enforcement Affairs. The position for which I have been nominated is one of significant responsibility, and I am honored by the confidence placed in me by President Bush and Secretary Rice.

Mr. Chairman, no one arrives at any good point in their life without a great deal of help and encouragement from others, and I have been blessed by much more of that than I deserve. I am joined today by my mother, Dixie Johnson, without whom, literally, none of this would have been possible. And I am also joined by my wife, Scarlett Swan, with whom I share a wonderful life, three children, and a partnership both at home and abroad. Without her, none of it would have been worthwhile. I also wish to thank my colleagues and mentors in the State Department and the Foreign Service. Ours is a collegial profession. No one accomplishes anything by themselves. And I want to acknowledge their friendship, their patience, and their patriotism. It has been my privilege to have worked with them in my more than 30 years as a public servant.

The next several years are certain to be a challenging period for the Department and for the Bureau I have been nominated to lead. In addition to the ever-evolving threats of drug trafficking and international organized crime, the Bureau for International Narcotics and Law Enforcement Affairs (INL) is playing an increasingly important role in stabilizing post-conflict societies, particularly in Iraq and Afghanistan, through criminal justice sector development. Continued high levels of drug production and trafficking in Latin America and in Afghanistan will continue to warrant United States attention and support, and INL remains in the forefront of efforts to confront these threats. If I am confirmed by the Senate, I will seek to build

upon the successes of my predecessors while also bringing a fresh perspective to these challenges to see where improvements might be made.

INL's core mission is to combat international narcotics production and trafficking, reduce international crime and terrorism, and strengthen international criminal justice institutions. To accomplish these goals, INL relies on a broad range of bilateral, regional, and global assistance programs designed to strengthen the law enforcement capacity of foreign governments. INL also works through the U.N. and other international organizations to set international standards for combating drugs, crime, and terrorism and develop programs and to implement these standards.

To carry out its mission and meet these challenges, INL supports programs at 80 posts. The Bureau maintains a domestic staff of 188 direct hire and an additional 54 Foreign Service officers and 428 foreign service nationals overseas. INL also employs approximately 4,600 contract employees supporting domestic and overseas operations, including aviation support and international peacekeeping operations. In keeping with its increased responsibilities over the past decade, INL's budget has grown from \$130 million in the mid-1990s to over \$2.6 billion in fiscal year 2007, largely due to pressing demands for criminal justice programs in Iraq and Afghanistan and new counternarcotics challenges in Afghanistan.

In addition to bilateral programs, the Bureau also supports four regional International Law Enforcement Academies around the world, as well as a specialized facility in Roswell, New Mexico, that provides advanced training for mid-level and senior foreign law enforcement officials. Applying U.S. and international standards, U.S. law enforcement agencies such as DEA, the FBI, and the Secret Service, as well as state and local law enforcement as needed, provide training keyed to address regional issues and problems.

INL maintains an aviation fleet of 295 rotary and fixed-wing aircraft operating in seven countries (Colombia, Bolivia, Peru, Ecuador, Mexico, Pakistan, and Afghanistan) that assist foreign government counternarcotics, counterterrorism, and border security efforts in support of United States' objectives. INL has recently implemented numerous changes to improve the management of this fleet in terms of standardized policies and procedures, planning, budget formulation and transparency, and use of best business practices.

The Bureau works closely with a broad range of other United States Government agencies that have expertise and interests in these areas, including the Office of National Drug Control Policy, the Departments of Justice, including FBI and DEA; Defense; Homeland Security, including the Coast Guard, Customs and Border Protection, Immigration and Customs Enforcement and the Secret Service; Treasury, and Commerce; and our Nation's intelligence community.

COMBATING NARCOTICS AND TERRORISM IN THE WESTERN HEMISPHERE

U.S. counternarcotics assistance in the Western Hemisphere is focused on confronting drug production at its source. Targeting resources at the initial stages of the drug trafficking chain reduces the amount of drugs that enter the system, allowing enforcement and treatment efforts to be more effective. Through Plan Colombia, and subsequently the Andean Counterdrug Initiative (ACI), we have employed a comprehensive regional approach of eradication, interdiction, alternative development, extradition, and judicial reform.

The greatest focus of these efforts has been and remains Colombia—the source for approximately 90 percent of the cocaine consumed the United States. Prior to Plan Colombia, Colombia was under siege by major narcoterrorist organizations and some believe it was in danger of becoming a failed state. Car bombs, kidnappings, and political murders were a daily occurrence as these illegally armed groups openly defied the government in many areas of the country, including in some key cities. In 2001, rapidly growing coca and opium poppy cultivation in Colombia reached an all-time high.

Since that time, Colombia has achieved remarkable progress. Public safety has greatly improved, with kidnappings, massacres, and murders down significantly. For the first time ever, the Colombian Government has established a functioning security and police presence in each of its 1,099 municipalities or country seats. Colombia's economy, which was so battered during the 1990s, is now growing at a healthy rate and attracting foreign investment. The Colombian people are now more optimistic about a lasting peace in their country, and the paramilitary AUC, which has been responsible for drug trafficking and human rights abuses, has been largely disarmed and demobilized. Clearly the American taxpayers' investment in Colombia is paying significant dividends.

A key component of INL's efforts in Colombia is eradication. In 2006, manual and aerial eradication programs in Colombia covered over 200,000 hectares of coca,

thereby preventing about 320 metric tons of cocaine from reaching the United States, Europe, and other parts of Latin America. Coupled with the seizure of 178 metric tons of cocaine, our joint efforts have taken about \$850 million in 1 year alone out of the hands of drug trafficking organizations, including the AUC and the FARC. Recent intelligence indicates that the FARC's drug profits may have fallen by about 25 percent from 2003 to 2005 because Colombian security operations, bolstered by Plan Colombia, have increased their costs of doing business.

Despite this marked progress, major challenges remain. Coca growers have embarked on an aggressive replanting campaign to counter eradication. The United States and Colombia are looking now at strategic, technological, and legal changes to address the resilience of coca cultivation. Another goal is having Colombia take greater responsibility of the counternarcotics programs. As Colombia has doubled the share of GDP devoted to security over the past few years, it has also begun to take responsibility for some key programs. Training and maintaining sufficient numbers of qualified Colombian pilots and mechanics key to successful nationalization—has proved difficult for a variety of reasons. Our challenge will be to ensure that eventual reductions in United States assistance are gradual and closely coordinated with Colombia, so that the overall level of effort is maintained as needed.

Colombia's Government continues to address human rights abuses and impunity and has made considerable progress in this area. If confirmed, I will continue to make these issues a priority and will work to see that those who commit serious abuses or are involved in drug trafficking are held accountable, and the rights of victims and their families are protected.

We remain concerned about increased coca cultivation in Bolivia and the corresponding increase of cocaine production by criminal traffickers. As the President indicated in the annual "Major's List" determination this month, Bolivia's cooperation in interdiction and voluntary eradication are not enough to counter this trend. We will continue to urge Bolivian authorities to make the reduction and eventual elimination of excess coca crops its highest priority.

Coca cultivation is also increasing in Peru, where remaining members of the former Shining Path terrorist group continues to support coca growers and drug traffickers leading to violent resistance to counternarcotics efforts. Despite these increases, cultivation in both Bolivia and Peru remains below the highpoint of the mid-1990s, when these countries were the world's primary producers.

INL is also working with countries that are heavily impacted by cocaine that originates in Colombia, Peru, and Bolivia. By some measures, Brazil is the world's second-largest consumer of cocaine. Much of this consumption is driven by violent gangs that traffic in drugs and weapons, and terrorize cities such as Rio de Janeiro and Sao Paulo. INL is beginning to work directly with states and cities in Brazil to enable them to combat these gangs more effectively on the streets and in prisons.

Counternarcotics cooperation with Venezuela has declined significantly under the regime of President Chavez. Venezuela's role as a transit zone for cocaine trafficking, particularly to Europe via West Africa, is growing, and Venezuela is, and has been, a conduit for arms and other equipment destined for antigovernment groups operating in Colombia. Evidence also suggests Mexican drug cartels are exploiting Venezuela as a transshipment point for Colombian cocaine. Poor border enforcement has permitted some of these groups to operate with impunity from inside Venezuela. For these reasons, the President determined that Venezuela had "failed demonstrably" to adhere to its obligations under international and bilateral drug control agreements for the third consecutive year.

Mexico is a major transit and source country for illicit drugs. Roughly 90 percent of South American cocaine reaching the United States market transits Mexico. Mexico is also a source and transit zone for the majority of marijuana, heroin, and methamphetamine consumed in the United States.

Our law enforcement cooperation with Mexico is well integrated, and President Calderon has taken unprecedented actions against organized crime networks. Since January, the Government of Mexico has deployed joint law enforcement/military antidrug operations in 10 key states in Mexico, extradited 64 fugitives to date, already ahead of last year's record figure of 63, and taken strong measures to root out corruption and to reform the federal police. We have initiated a series of expert-level discussions with the Government of Mexico to follow up on a commitment made by President Bush to President Calderon to improve bilateral cooperation concerning public security, law enforcement, border security, and counternarcotics. This is an historic opportunity to confront criminal organizations that work across our border and through the region. As a strategy is finalized, we intend to stay in close contact with Congress and this committee.

The nations of Central America are also struggling with drug trafficking and associated gang-related crime, corruption, and insecurity. In July of this year, the De-

partment announced the Strategy To Combat Criminal Gangs from Central America and Mexico. Under this comprehensive strategy, the United States will work with partner countries to combat transnational and other gangs that commit crimes in Central America, Mexico, and the United States. It will help prevent youth—beginning with children as young as 9 years old—from entering gangs and strengthen enforcement against gang-related violence and other crimes.

In Haiti, INL is supporting U.N. efforts to transform the Haitian National Police into an institution capable of ensuring stability, public security, and human rights, and working with the entire justice sector to promote the rule of law. To combat the corrosive effects of drug trafficking through Haiti, the Bureau is providing equipment and technical assistance to improve the capacity of Haitian law enforcement to conduct drug interdiction operations and to investigate and prosecute traffickers and money launderers.

BUILDING STABILITY AND DEMOCRACY IN SOUTH ASIA

Building stability and democracy in South Asia is one of the President's highest priorities. The United States has embarked on an ambitious and historic mission to ensure that Afghanistan is never again a haven for terrorists or a source of regional instability or repression against its citizens. Combating the drug trade and standing up a professional civilian police force in Afghanistan are critical elements of this mission. Although very little Afghan heroin reaches the United States, the drug trade has undermined virtually every aspect of the Government of Afghanistan's drive to build political stability, economic growth, rule of law, and its capacity to address internal security problems. Proceeds from narcotrafficking are fueling the insurgency and corruption that undercut international reconstruction efforts. In order to lock in Afghan progress against these threats, a national police force is essential to secure the rule of law.

The United States has committed itself to a major, multi-year counternarcotics effort in which INL plays a leading role. This effort centers on a five-pillar program designed to attack the drug trade on several fronts and at several levels.

These pillars include:

- (1) A public information campaign emphasizing the social and health threat posed by the drug trade.
- (2) An alternative development pillar to establish viable, licit economic alternatives to poppy cultivation.
- (3) An eradication pillar that focuses on reducing poppy cultivation by providing both incentives for farmers not to plant and disincentives for those who do.
- (4) An interdiction pillar that aims at destroying labs, seizing precursors and refined drugs, and arresting high value targets.
- (5) Law enforcement and justice sector reform to build an effective police, corrections, and court system capable of delivering justice and rule of law.

This five-pillar program is in its third year and has struggled in an environment of significant insurgency. The results, thus far, have been mixed, with some localized success. We have seen declining poppy cultivation in the northern half of the country, where central government authority is strong, that could make the region virtually free of poppy by 2009. This is a major turnaround for an area that has been a traditional source of opium poppy.

At the same time, there has been a tremendous surge in cultivation in the southern province of Helmand, where the insurgency is strong and government authority weak, and the rest of southern Afghanistan that more than offsets the successes in the north.

If Helmand were a separate country, it would be the world's second largest producer of opium poppy, after Afghanistan itself. Contrary to the myth that poppy is grown by poor farmers with no other economic choices, Helmand is Afghanistan's richest province, and receives more United States foreign assistance than any other. Much of the poppy farming there is new in the last couple of years and carried out by larger growers who are relatively well off. The illegal activities of these relatively wealthy individuals must be confronted by Afghan authorities and the international community with greater determination, including through forced eradication where necessary.

To better address changing trends in cultivation, the security situation, the political climate, and requirements of economic development, the United States has made adjustments in strategy which will be carried out over the next several weeks and months. These refinements to the current strategy include three main elements. First, we aim to dramatically and simultaneously increase the scope of both the incentive of development assistance and the disincentives of stepped up interdiction.

eradication, and law enforcement, including expansion and improvement of the Good Performers Initiative. Second, working with our NATO allies, we intend to improve coordination of counternarcotics and counterinsurgency information sharing and operations. Finally, we must develop consistent, sustained political will for the counternarcotics effort among the Afghan Government, our allies, and international civilian and military organizations. This will include working with the international community on a coordinated strategy to ensure that government officials in Kabul and the provinces appoint strong, law abiding officials and remove weak or corrupt ones to carry out interdiction and eradication programs.

In Afghanistan, it is important to differentiate between our long- and short-term goals. Based on the experiences of states such as Thailand and Laos, we will need staying power to achieve the goal of an Afghanistan free from all opium poppy cultivation. This long-term effort must be broken down into incremental steps. For the short- to medium-term, if we can succeed in reducing the cultivation of poppy to a more manageable level that would be less of a threat to the Afghan Government, that would be a genuine, if incremental, victory. I believe that within the next 2 years, it is possible to move from uncontrolled cultivation in Afghanistan to a situation where the drug economy could be a more manageable problem.

To achieve this reduction, we must achieve greater success in eradicating poppy crops. This is an essential prerequisite in order to achieve effective results with our sustainable livelihood assistance. Until Afghan poppy growers are convinced that they face the credible threat of forced eradication, they will not embrace legal alternatives. Based on surveys that it has conducted, the U.N. estimates that the eradication threshold we need to reach in order to successfully convince growers to abandon poppy cultivation is 25 percent of the overall crop. Currently, we are achieving an eradication rate of approximately 10 percent or less. This needs to improve, and in order for this to happen, the Afghan Government and our other international partners need to demonstrate greater political commitment toward pursuing forced eradication.

Eradication is an essential component of the strategy, but it must be accompanied by economic and institutional development to achieve sustainable results. The opium trade is deeply embedded in Afghan society and dominates a small economy with only limited economic options. Institutional development—critical for establishing rule of law—is also at a low level following two decades of civil war and Taliban rule. This is in contrast to Colombia, where cocaine trafficking is of more recent vintage and plays a relatively smaller role in its more diversified economy and where justice sector and related institutions are more resilient.

In cooperation with DOD, INL has helped train more than 81,000 Afghan National Police (ANP) to date. ANP training includes selected specialized training initiatives, such as literacy, domestic violence, and anticorruption, in addition to the basic training program. In the near future, INL intends to focus more heavily on the development of advanced capabilities such as criminal investigative skills, records management, computer skills, internal affairs, professional responsibility, intelligence gathering and analysis, and counternarcotics skills.

I am confident that we can achieve our goals in Afghanistan. We know that a comprehensive, long-term approach can and does work, as it has elsewhere in Southeast Asia and in Latin America. Afghanistan is not more predetermined to becoming a failed state with a narco-economy than Colombia was in the late 1990s. Colombia is now a stable democracy with a thriving economy and a strong state presence across its territory; Afghanistan can achieve similar progress, given sufficient political commitment, international support, and time.

Next door to Afghanistan, Pakistan is playing an increasingly important role as a front line state in the war against both terrorism and the drug trade. Pakistan is a major transit zone for Afghan opium. Its 1,500-mile border with Afghanistan remains open to cross-border movement and operations by Afghan insurgents and other armed groups and uncontrolled areas along the border serve as sanctuaries for those groups.

To help secure Pakistan's border region, INL is helping open up inaccessible areas through road projects and by providing vehicles and aviation support to increase mobility, monitoring, and interdiction by border and other police. INL programs are also helping to modernize and professionalize the Pakistani national police, including the development of a national database of terrorists, traffickers, and other criminals. In this respect, our counternarcotics program is directly assisting counterterrorism efforts in Pakistan.

STABILIZING IRAQ

INL is playing an important role in the stabilization of Iraq through assisting in the development and enhancement of Iraq's criminal justice sector. Establishing an effective criminal justice system in which the Iraqi people have confidence is essential to providing the Iraqis a reliable alternative to militias, sectarian groups, and other extra-governmental forces to resolve disputes. INL is providing support to all aspects of the criminal justice system—police, justice sector, and corrections.

In support of Central Command's Civilian Police Assistance Training Team (CPATT) efforts to develop and professionalize the Iraqi police, INL is providing close to 1,000 International Police Advisors who, under the Coalition Forces' direction, train, assess, and mentor Iraqi police personnel, including border police.

INL is working with United States Government interagency partners to develop and strengthen the Iraqi justice sector by training judges, investigators, and court personnel, to help the Iraqis secure their judges and courts, to improve coordination among police, courts, and prisons, and to help the Government of Iraq strengthen legislation governing the judiciary and criminal codes. INL's support for an FBI-led interagency Major Crimes Task Force is helping Iraqis investigate and process the most serious, high-profile cases such as the murder of the Chief Justice's son and attacks on Coalition and Iraqi security forces.

Since 2004, INL has also implemented a program to professionalize the administration of prisons in Iraq and help ensure that prisoners are held securely and humanely. Several thousand Iraqi Corrections Service personnel have been trained and mentored through this program. The Bureau is also funding and managing a large prison construction program that will increase Iraq's prison capacity by over 6,500 beds over the next 2 years. Stepped up security efforts are straining existing Iraqi corrections capacities and our challenge over the coming months will be to help the Iraqis manage this growth.

Iraq's security situation seriously complicates implementation of INL programs, but tangible progress is being made. Helping Iraqis create a system that is sufficiently effective and fair, and inspires trust so citizens turn to it instead of militias and other destructive actors, is essential to stabilizing the country and securing our national interests. If I am confirmed, this challenge will be among my foremost priorities.

INL EFFORTS IN THE MIDDLE EAST

Following a spate of destabilizing terrorist assassinations in 2005–2006, Lebanon sought United States assistance to strengthen its security forces. The INL program there, which includes training and other technical support for Lebanon's Internal Security Force is designed to bolster efforts by the democratically elected government to establish full sovereignty within its borders.

INL will soon begin implementation of a program designed to help moderate within the Palestinian Authority enforce law and order, and stability in the West Bank. Through this program, the United States will provide nonlethal equipment, police training, and construction or rehabilitation of police training facilities, and will support institutional strengthening of the Ministry of Interior, which oversees security forces. As with other INL programs, this program will include a significant and meaningful vetting process to screen participants and exclude any with possible terrorist ties or human rights violations.

THE THREAT FROM SYNTHETIC DRUGS

The Department shares the strong concern of Congress about the growing threat of synthetic drugs, particularly of methamphetamine. These drugs offer enormous potential profits to drug trafficking organizations, and unlike coca or opium poppy, their production is not easily contained to specific areas. Recent history shows us that when faced with law enforcement or regulatory pressure in one country, producers and traffickers can quickly adapt to new to find new precursor chemical supplies, new production sites, and new smuggling routes. Methamphetamine, in particular, is distinct from other illicit drugs because its production requires no specialized skill or training, and instructions on how to produce it are easily available on the Internet. This is a true global challenge, and INL is committed to working aggressively in both bilateral and multilateral settings to enhance international chemical control regimes to prevent the illegal diversion of chemicals needed to produce methamphetamine.

Most of the methamphetamine consumed in the United States today is controlled by Mexican drug trafficking organizations producing the drug in "superlabs." Smaller amounts are produced here in "small toxic labs," but these have been declining

in recent years due in large part to U.S. efforts to control the sale of those pharmaceuticals and chemicals that can be used to produce methamphetamine.

Because Mexico is the principal foreign supplier of methamphetamine to the United States, INL is working with Mexico to strengthen border security and enhance counterdrug operations, including providing specialized mobile equipment and establishing a Chemical Response Team to detect and raid drug labs and lead investigations into chemical diversion. With a growing methamphetamine abuse problem of its own, Mexico has taken this problem very seriously and has recently announced that it will take the unprecedented step of banning all methamphetamine precursors, pseudoephedrine, and ephedrine, beginning in January 2008. This is an unprecedented step, and shows Mexico's commitment to address this issue.

INL has been working closely with multilateral organizations, including the U.N. and OAS, to make international chemical controls a priority. In 2006, the U.N. Commission on Narcotic Drugs adopted a U.S.-sponsored resolution requesting that states provide the International Narcotics Control Board (INCB) with estimates of their domestic, legitimate requirements for chemicals precursors that can also be used for the manufacture of synthetic drugs. Over 100 countries did so in 2006, establishing a new baseline that allows exporting and importing countries to quickly check whether the chemicals and quantities proposed in commercial transactions would indicate possible diversion. These checks enable authorities to determine whether further law enforcement scrutiny is warranted. To help the INCB carry out this reporting responsibility, INL has doubled its annual financial contribution to the organization since 2006.

In March 2007, the Department issued its first report under the 2006 Combat Methamphetamine Epidemic Act (CMEA) identifying the major importers and exporters of ephedrine and pseudoephedrine coupled with a Presidential determination backed by sanctions on whether such countries are fully cooperating with the United States on counternarcotics. The CMEA has helped focus international attention on this issue, and is a valuable tool in confronting this challenge.

MANAGING INL RESPONSIBILITIES

INL's global responsibilities have grown substantially over the last several years. The Bureau's overall budget has grown from approximately \$130 million in the mid-1990s to over \$2.6 billion in fiscal year 2007, including supplemental funding. INL is also responsible for managing programs funded by the Department of Defense for police training in Iraq and Afghanistan. This dramatic expansion has presented INL with certain challenges in ensuring that our management and oversight controls are equal to the scope of our program work. INL has already devoted considerable effort to right-sizing and reorganizing our staffing to better reflect the priorities of the Bureau's expanding mission. In this effort, our work has been guided by inspections by the OIG, GAO, and the Special Inspector General for Iraq Reconstruction. INL has benefited from this input as well as from the concerns and recommendations expressed by Members of Congress and their staffs. I believe that the Bureau is well on its way to meeting the expectations of both Congress and the public. If confirmed, I fully intend to continue this reform process and ensure that we have the personnel and oversight mechanisms in place to fulfill our mission.

The greatest challenge facing INL have been the enormous growth of its programs in Afghanistan and Iraq. Last year, INL increased staffing for program, contract and asset management in both countries. Concurrently, INL also established a United States-based contract management support group that provides additional contract oversight and technical support. This dual effort has resulted in contract savings, cost avoidance and recapturing contract expenditures. More recently, the Bureau also established a separate Iraq office to focus specifically on civilian police operations and rule of law programs for that priority country. With the support of the Department, INL has been steadily increasing its full-time staffing to meet the requirements of these programs, and this is a process that, if confirmed, I will take a very direct interest in continuing. We need to find the best people available to manage these high-priority initiatives, and we need to place them where they are most needed—both overseas and here in Washington.

INL has also improved its financial and asset management by establishing and implementing an improved financial reporting tool; conducting its own program reviews, audits, investigations, and verifications; improving field support and training; and placing greater focus on outputs and metrics to better align the Bureau's financial resources with its program performance. As a result, INL is implementing and standardizing improvements for ensuring strong management controls.

Finally, as noted by GAO, INL revamped the Bureau's aviation management by centralizing all aviation planning, reporting, and administrative responsibilities, leading to a more transparent resource decision making process.

These are the kind of efforts that, if confirmed, I will continue and build on to ensure that the extensive resources under the Bureau's responsibility are managed appropriately.

CONCLUSION

Again, I would like to thank you for the opportunity to appear before the committee today. If confirmed, I look forward to working with Congress to address these diverse challenges that directly impact us here at home. Please be assured that I will strive to keep you fully informed of our progress and our setbacks, and I certainly welcome your thoughts and advice. I look forward to answering any questions you may have.

Senator CARDIN. Thank you, Mr. Johnson.

Mr. Fannin. Yes, please, and also if you would introduce your family, we would appreciate that.

STATEMENT OF P. ROBERT FANNIN, NOMINEE TO BE AMBASSADOR TO THE DOMINICAN REPUBLIC

Mr. FANNIN. Mr. Chairman, thank you.

Mr. Chairman, I would like to thank Senator Kyl for his introduction, and I'd also like to introduce my wife, Dr. Lisa Fannin, and my son Paul, and his wife, Sharon, who have been very supportive during this process.

Mr. Chairman, and members of the committee, I'm honored to be the President's nominee to be the next United States Ambassador to the Dominican Republic. I would like to express my gratitude to President Bush and Secretary Rice for the confidence they have shown in me.

Mr. Chairman, I see this nomination as a unique opportunity to serve my country. I come from a family which deeply values and respects the call to public service. My father's service as Governor of Arizona and United States Senator inspired all of his children. I have sought to follow his example with my own dedication to public service.

The Dominican Republic and United States have a special relationship with economic, cultural, and social ties that are strong and growing. Indeed, only last week, President Fernandez had a very cordial meeting with Deputy Secretary John Negroponte at the State Department.

Dominican-Americans in the United States are a growing, thriving community. The ties of music, baseball, art, and literature bring our two countries closer every year. We face the challenges of the world together, a fact never more clear than when some 41 persons of Dominican descent lost their lives on September 11, 2001.

Many persons of Dominican descent proudly serve in our Armed Forces. Approximately 100,000 Americans live in the Dominican Republic. Over a million Americans visited the Dominican Republic in 2006. If confirmed, one of my chief priorities will be the well-being and security of both official and nonofficial Americans in the Dominican Republic.

I hope to utilize the leadership skills I have learned as a military officer, as chairman of many nonprofit organizations, as a leader promoting intelligent economic development, and as a managing

partner of a law firm. I would use these leadership skills to bring together the many agencies of the U.S. Embassy into one cohesive country team.

My experience as a lawyer would provide me with the background to assist in the implementation of many reforms in progress in the Dominican Republic. These include programs promoting a more transparent, accountable, and effective judicial system. My experience in the law and military would help me work effectively with the United States and Dominican military, intelligence, and law enforcement agencies in the areas of anticorruption, counterterrorism, counternarcotics, countertrafficking in persons, extradition, illegal migration, legal migration, and others.

Mr. Chairman, I recognize that as the United States Ambassador to the Dominican Republic, I would have the duty to promote and protect America's values and interests. America has a paramount interest in promoting social justice in this hemisphere. If confirmed, I will work to advance the cause of social justice in the Dominican Republic. This would include the continuation of our Government's cooperation with the Dominican Republic in the areas of education, healthcare, housing, economic freedom, human rights, good governance, and democracy. As Senator Kyl mentioned, I'm particularly interested in the health sector because my wife is a physician and a board member of a health-related nonprofit, and a philanthropic foundation.

I hope to use my experience in the banking industry—including serving as an officer and as a director of two major financial institutions—to assist with the implementation of the Central American Free Trade Agreement in the Dominican Republic, CAFTA-DR. My experience as an officer and a board member of Chambers of Commerce would also be very helpful in the areas of trade and economic development.

I would also work to assist United States businesses in the Dominican Republic, in particular, by encouraging Dominican efforts—through CAFTA-DR framework—to create and enforce laws and regulations that are pro-business, and pro-investment. I would work to resolve existing commercial and investment disputes involving U.S. interests. I would encourage stronger Dominican support for intellectual property rights, particularly in light of Dominican efforts to attract high-tech investment.

At the same time, I recognize that growth in the economy and trade would mean little, if not accompanied by improvement in the lives of all of the people. Economic liberty must not mean that business rules at the expense of the poor, the middle-class, and of the environment. If confirmed, I would work to maximize the benefits of our development assistance, targeting labor rights and the environment.

I appreciate this opportunity to appear before you, Senator Cardin and this esteemed committee. If confirmed, I hope to work with you and your colleagues on the committee and in the Congress, on a full range of issues. I am looking forward to your questions. Thank you very much.

[The prepared statement of Mr. Fannin follows:]

PREPARED STATEMENT OF P. ROBERT FANNIN, NOMINEE TO BE
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I hope to utilize the leadership skills I have learned as a military officer, as a chairman of many nonprofit organizations, as a leader promoting intelligent economic development, and as a managing partner of a law firm. I would use these leadership skills to bring together the many agencies of a U.S. Embassy into one cohesive country team. My experience as a lawyer would provide me with the background to assist in the implementation of many reforms in progress in the Dominican Republic. These include programs promoting a more transparent, accountable, and effective judicial system. My experience in the law and military would help me work effectively with United States and Dominican military, intelligence, and law enforcement agencies in the areas of anticorruption, counterterrorism, counter-narcotics, countertrafficking in persons, extradition, illegal migration, legal migration and others.

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At the same time, I recognize that growth in the economy and trade would mean little if not accompanied by improvement in the lives of all the people. Economic liberty must not mean that business rules at the expense of the poor, of the middle class, and of the environment. If confirmed, I would work to maximize the benefits of our development assistance targeting labor rights and the environment.

I appreciate this opportunity to appear before Senator Cardin and this esteemed committee. I hope to work with you and your colleagues on the committee and in

the Congress on a full range of issues. I also look forward to answering any questions you may have.

Thank you.

Senator CARDIN. Thank you, Mr. Fannin.

We'll now hear from Mr. Simons.

**STATEMENT OF PAUL E. SIMONS, NOMINEE TO BE
AMBASSADOR TO THE REPUBLIC OF CHILE**

Mr. SIMONS. Thank you very much. Mr. Chairman, members of the committee, it is an honor to appear, once again, before this committee on this occasion, as the President's nominee to be our next Ambassador to Chile.

I'd like to introduce my wife, Victoria, who is with us today. We are very much a multicultural family, with very strong Latin roots. Victoria is originally from Colombia, while our daughters, Andrea and Camila, were born in Ecuador. All three have been my most stalwart supporters, interrupting careers and studies to serve our country. All of us look forward to representing United States interests in Chile, if I am confirmed.

Mr. Chairman, this is an exciting moment to be considered for a leadership role in United States-Chile relations. As you, yourself, pointed out in your opening statement, Chile is a notable success story in the hemisphere, and our bilateral relationship is particularly strong across three principal areas.

Politically, Chile is a thriving democracy with resilient institutions, and a proven record of support for democratic principles. Economically, Chile's record of trade-driven growth is generating concrete benefits for its own citizens—as you pointed out, Mr. Chairman, the decline in the poverty rate—as well as opportunities for United States companies, under our bilateral free trade agreement. And, our security relationship, finally, is very solid, with bilateral military cooperation among the very best in the hemisphere.

Mr. Chairman, we are fortunate to have a valued partner in Chile to work with, to promote our shared vision of democracy and free markets in this hemisphere.

I'd like to lay out three priority areas which, if confirmed, I would propose as major themes to pursue.

First, providing strong leadership to the United States' community in Chile, from residents and tourists, to American businesses. My experience in Israel reinforced the importance of uniting the American community, while much of my 30-year professional career has been spent advancing United States business interests around the globe.

Second, broadening and deepening our bilateral partnership. Building on our very successful bilateral free trade agreement, and our new education initiative, I would look for ways to deepen our links with Chile across the range of issues—from energy to environmental cooperation, from innovation, to law enforcement.

Third, working with Chile on broader hemispheric and global challenges where we share common interests. Drawing on my background in multilateral diplomacy, I would hope to find ways to work with our partners in Chile to share their successful experiences with economic and political freedom with a broader regional and global audience.

Mr. Chairman, let me conclude by thanking President Bush and Secretary Rice for their vote of confidence in proposing my candidacy for this position. If confirmed, I pledge to work closely with you, the members of this committee, and other members of Congress to deepen the very strong partnership the United States enjoys with Chile.

Thank you.

[The prepared statement of Mr. Simons follows:]

PREPARED STATEMENT OF PAUL E. SIMONS, NOMINEE TO BE
AMBASSADOR TO THE REPUBLIC OF CHILE

Mr. Chairman, members of the committee, it is an honor to appear once again before this committee, on this occasion as President Bush's nominee to serve as our next Ambassador to Chile.

Let me introduce my wife, Victoria, who is with us today. We are a multicultural family with strong Latin roots—Victoria is originally from Colombia, while our daughters, Andrea and Camila, were born in Ecuador. All three have been my most stalwart supporters, interrupting careers and studies to serve our country. All of us look forward to representing United States interests in Chile if I am confirmed.

Mr. Chairman, this is an exciting moment to be considered for a leadership role in United States-Chile relations. Our bilateral relationship is particularly strong across three principal areas:

- Politically, Chile is a thriving democracy, with resilient political institutions and a proven record of support for democratic principles in the Organization of American States and other multilateral fora.
- Economically, Chile's record of trade-driven growth is generating concrete benefits for its citizens and opportunities for United States companies. Poverty has been cut by more than two-thirds in the last 15 years, while two-way trade with the United States has increased by over 150 percent in the 3 years that our bilateral Free Trade Agreement has been in effect. Continuing these successful economic policies will help Chile meet the remaining economic and social challenges it is currently looking to address.
- Our security relationship is very solid, with bilateral military cooperation among the best in the hemisphere. Chile supports a number of important security initiatives, from the Proliferation Security Initiative to peacekeeping in Haiti.

Mr. Chairman, we are fortunate to have a valued partner in Chile to work with us to promote our shared vision of democracy and free markets in this hemisphere. I would like to lay out three priority areas which, if confirmed, I would propose as major themes to pursue:

First, providing strong leadership to the United States' community in Chile. During my tenure in Israel, the American community bonded closely to sustain morale during a challenging period. If confirmed, I intend to provide equally active leadership to the resident American community in Chile and quality consular support to United States residents and visitors there.

That leadership would extend as well to strengthening bilateral business ties—a natural fit for me, as much of my 25-year Foreign Service career has been spent advancing U.S. business interests around the globe. I am a firm believer in working with the U.S. private sector to introduce American corporate values and innovation to our partners around the world.

Second, broadening and deepening our bilateral partnership. Building on our successful bilateral free trade agreement, I would look for ways to deepen our links across the range of issues, from energy to environmental cooperation, innovation, and law enforcement. Chile and the United States have already launched an innovative educational exchange program that could well be a model for cooperation in other sectors. Drawing on my policy experience, I would hope to develop creative tools to deepen our cooperation, working with our Chilean partners, United States agencies, and our respective private sectors.

Third, working with Chile on broader hemispheric and global challenges where we share common interests. Chile is an active member of the Asia Pacific Economic Cooperation forum and is a candidate country for entry into the Organization for Economic Cooperation and Development. Drawing on my own multilateral background, I would hope to find ways to draw Chile into sharing its successful experiences with economic and political freedom to a broader global audience.

Mr. Chairman, let me conclude by thanking President Bush and Secretary Rice for their vote of confidence in proposing my candidacy for this position. If confirmed, I pledge to continue to work closely with you, the members of this committee, and other Members of Congress to deepen the very strong partnership the United States enjoys with Chile.

Senator CARDIN. Once again, let me thank all three of you for your willingness to come forward, and for your testimony today.

Mr. Johnson, if I might start with you. We had a chance to work together when you were at OSCE, and I appreciated the relationship that we had. I thought it was always one of trust and mutual respect, and I thank you for that service.

I want to talk to you about two countries that you mentioned in regard to our war on drugs—one being Colombia, and the other being Afghanistan. You mentioned both in your statement. In Colombia, we've spent \$5 billion alone—90 percent of the cocaine coming into the United States is estimated to come in from Colombia. And, our objective of Plan Colombia was to reduce coca cultivations by 50 percent, and we have not reached those goals.

So, I guess my question to you is, how do you intend to try to refocus our efforts, to have a successful program in Colombia to stop the cocaine coming into the United States—reduce it?

Mr. JOHNSON. Thank you, Mr. Chairman. You're quite correct—the American taxpayers invested significant sums in Colombia, and the Colombians themselves in the plan that we developed, have invested even more.

While the goal that we set for ourselves has clearly not been met, I think that we also should recognize just how far Colombia has come during this period of time. It's a different place than it was when President Clinton proposed Plan Colombia back in the late 1990s, and it's in significant measure because of the monies that have been put forward by our taxpayers and the programs that have been undertaken by my predecessors.

I think it's—where we are focused now as we look forward, is to try to work with the Government of Colombia to make this more of a national program—to have them take over, take it over piece by piece, and in a manner where it can be sustained by them, and be taken on as their own program, if you will. But, I think that we're going to have to have a pretty long time horizon for that, it's not something that we can do, effectively, over the course of a very short time.

We're working with the Colombians on this, we have a very seasoned and senior diplomat whose project is to come to terms with this issue, and to make a recommendation about how we can recast things. But, I think we also shouldn't forget, while we haven't had as much of a success in terms of the elimination of the cocaine trade from Colombia as we would have liked to, it's been significantly cut over what it otherwise would have been.

Where we would have, I think we can do things forward is that the traffickers themselves have adapted. They've changed the way they've done business, they've changed where they've tried to grow, and so I think, working with the Colombians, we're going to have to have a—if I could borrow a phrase from Toyota—a kind of a continuous product improvement, so that we can adapt as well, and do better than we have in the past.

Senator CARDIN. Well, was the plan objective right to reduce cultivation by 50 percent? Is that doable?

Mr. JOHNSON. I think, I would hesitate to issue a quantity. I think that we can do better than we have in the past, I think we can work more effectively with the Colombians—taking nothing from all of the hard work that's been done before—but I think we can learn from what we've done by adapting further. But I think that we also have to be modest in what we can, in fact, achieve. This is a very difficult problem. And a very—in a place that's hard to work.

Senator CARDIN. You're suggesting that we have to be flexible to modify the plan strategies as those who are participating in drug trafficking are adjusting toward our strategies to try to counter them? Is that what you're basically—?

Mr. JOHNSON. I think we can make some adjustments. I think that we can be even more effective than we have been in the past. I'm not sure that the measure of 50 percent is—was necessarily the correct one to aim at. But, what we would like to do is be more effective in curtailing the amount that's grown, and more effective in the interdiction effort.

And really, what this plan is all about, is not just interdicting drugs, or stopping them from being grown, an eradication program, it's about extending the writ of the Colombian Government further into its own country, and where people are more secure, where we can help provide the security that is needed, the alternative development programs that we have, and can take hold. And I think that's the kind of traction that we need, as we look into the future.

Senator CARDIN. Let me quickly turn to Afghanistan. We had a hearing in this committee on Afghanistan, and the poppy crop, and the failures of our policy, to date, to eliminate the poppy trade coming in from Afghanistan. At that time, there were many issues that were raised in our committee, including economic opportunity for the people of Afghanistan. I'm wondering how high of a priority Afghanistan will have. Obviously, this is a country that has incredible importance to the United States efforts. And the poppy crop is obviously one of the areas that are preventing us from achieving our objectives in that country. You'll have a key role, I hope, to play in a strategy to deal with that problem. Could you elaborate a little bit more as to how you intend to make this a priority?

Mr. JOHNSON. Mr. Chairman, as you mentioned, we have just come forward over the course of the last several months, where an invigorated program in Afghanistan, one that has multiple prongs, if you will, public information, alternative development, which is the key I believe, that you were referring to there, in terms of providing a livelihood for people who might otherwise be in the drug trade.

But it also has to have a law enforcement element, which we are developing, as well. As well as elimination and eradication. The U.N. estimates that in order to really deter individuals from wanting to grow poppy, we're going to have to make them believe that about a quarter of their crop is at risk, and we have not reached that level yet.

But I think what we've found in Afghanistan is that security is the key here. In the provinces in Afghanistan, which are relatively

secure, a significant number of them are poppy-free. Where violence is more prevalent—particularly in the South—that’s the area which has had the burgeoning poppy growth over the course of the last couple of years. So, I think it’s going to require a combined effort on the counternarcotics side, as well as the security side. I think one of the things we’ve learned over time in Afghanistan, in particular, is that if you can’t create security on the ground, none of these programs can really be successful.

And so we have to work in close partnership with our military, as well as the NATO operation, there on the ground. I think this is going to—can be a successful program, but it’s going to require a great deal of patience, and a lot of work in a broad array, not just focused exclusively on eradication, but having that element as part of it.

Senator CARDIN. Thank you.

Senator Corker.

Senator CORKER. I appreciate our Chairman asking the questions he did about Afghanistan and Colombia, and obviously those are the two areas where there’s been—how that drug trade going unhampered, if you will, but continuing to flourish, as it is today. How that affects us as a country, overall, and affects those two countries themselves, as they continue to evolve?

Mr. JOHNSON. Senator, I think I speak with a little more confidence about Afghanistan, because it’s an area that I’ve worked on before. And I think that it represented a different kind of threat to us than Colombia does. The threat of the narcotics trade in Afghanistan is really a threat to the stability that we are trying to promote there. The narcotics themselves are largely destined for other parts of the world—the heroine on the streets that is sold in the United States, largely, does not come from Afghanistan. That’s a threat to its neighbors, to the Russian Federation, as well as to Europe, more than it is us in terms of a direct narcotics threat.

But if we’re unsuccessful, if we do not address narcotics in Afghanistan, the efforts that we have undertaken there to create a stable environment for a government to grow won’t take hold. The money that sloshes around, the opportunities for corruption, the money that flows in the direction of the insurgency, will just be too much to overcome without addressing this problem, as well.

So, I think when we’re talking about Afghanistan, we’re talking largely from our selfish point of view about a stability issue that we have to address.

In terms of Colombia, there is an element of stability threat there, because I think that the level of violence, the threat to the government itself in Colombia that has been in significant measure addressed over the course of the last 7 years, genuinely threatened that government, genuinely threatened to make Colombia a place where people could not live in safety.

But it is also a direct threat to the health of Americans, with cocaine, with coca flowing out of that country, across the Caribbean, or up into Mexico, and into the United States. So, it is both a crime and a social and health threat, to the United States, as well as one potentially of stability. But, I think that when we are looking at Colombia today, we have to recognize that the progress that we’ve made over the last several years, has put it in a much different cat-

egory. You cannot even, you know, think about Afghanistan and Colombia in the same pocket, in terms of the stability of the State and the institutions there.

Afghanistan—one of the first countries on the planet—the literacy rate, maybe 20, 25 percent, 30 years of war, and Colombia, a significant threat from the narcotics area from a group of insurgents on the left and the right, but not in the same category, I believe, as Afghanistan.

Thank you.

Senator CORKER. Thank you.

Mr. Fannin, I enjoyed hearing about your background. And, it's obviously very diverse and seems most applicable to the changes that are taking place in the Dominican Republic with CAFTA. And I wondered if you might address how you see the Dominican Republic adapting to these changes, some of the things that you think you'll be focused on when you first hit the ground there?

Mr. FANNIN. Thank you, Senator. I appreciate the question, because I think one of the things that I can help with is the implementation of CAFTA. The—most importantly, I think the laws and the regulations that are required by CAFTA to improve the economic system in the Dominican Republic are very important, and still there needs to be a lot of work done to enact those laws and regulations. And it would be my—if confirmed—it would be my job and I hope to have that opportunity to ensure that those laws are passed, the regulations are passed, and that the United States companies have the opportunity to take the full benefit of those laws, and that Dominican companies share in those same benefits in terms of transparency, accountability, and the like that is necessary to have a better economy.

As I was mentioning to Senator Menendez yesterday, many investors in the Dominican Republic have complained that there are laws or rules that are unclear, and lacking in enforcement. And it would be my job, as a lawyer, I think, to help with that situation and others. But I think I can be a value in that regard as a lawyer, and as a person who has led an economic development in Arizona. Same kind of thing—attracting businesses, and I hope I can use that experience as well.

Senator CORKER. Now, I know you haven't, aren't there yet, and hopefully will be there very soon, but have you sensed, like in our country, when we enact new trade agreements, there's always concern about loss of jobs and concern about how it affects the economy, based on the limited research you've done prior to being there—is there that same type of dilemma, if you will, that exists there, on the ground, in the Dominican Republic?

Mr. FANNIN. Well, Senator, I think that from what I've read in the newspapers and some of the reports I've seen, there have been some complaints about the loss of jobs in certain areas. On the other hand, there is a lot of excitement and hope that all of the new technology, efficiencies, and so forth, that inure because of CAFTA, it will be far more a spread of benefits, more efficiency, more accountability, laws that American—other, not just American companies, U.S. companies, but people from all over the world—will seek to do business in that country, and thus improve their situation, not only in the major urban areas, but in the rural areas.

Senator CORKER. Mr. Simons, Chile is one of our major trading partners, and yet only 15 percent of their exports make their way into our country. I know they have a strong relationship with China and I'm wondering if there's, there are any issues there that you see on the horizon that are affecting our lack of trade, if you will, with them, or their growth in trade with China in a way that, somehow, creates a rub, if you will, with their own country?

Mr. SIMONS. Thank you, Senator Corker.

Let me say just a couple of words about how Chile has approached the trade issue worldwide.

Chile has entered into free trade agreements with virtually all its major trading partners, and has been willing to expose its economy to the benefits and vagaries of free trade, and has benefited substantially. Chile's total trade is running something on the order of 65 percent of GDP, if you add imports and exports, it's a very high reliance on trade. So, Chile itself is very comfortable and confident that it can succeed on the trade front.

With respect to the U.S. FTA, I think we've done quite well with the bilateral free trade agreement in the 3½ years it's been in existence. We've had total trade increase by about 150 percent, and during that period U.S. exports also have gone up by about 150 percent—from about \$3 billion a year to about \$7 billion last year—and I think that's a significant increase.

Chile is our fifth largest trading partner in the hemisphere. So, we've seen good growth on the United States export side, and this has been very positive, I think, for United States' businesses.

We're also making some inroads. Our market share in Chile is going up after many years of decline as a result of the FTA.

Now, with respect to China, China clearly has a voracious appetite for inputs of all sorts—raw material inputs, energy inputs, copper inputs from Chile—and China is now the major importer of Chilean copper. But, of course, China needs that copper to fuel its economy, its economic growth. I think it's natural that China would become a larger purchaser of Chilean copper, and I think it's to be expected that two-way trade with China will increase.

But I think it's important that the United States maintains its market share, and that we get our businesses down there competing effectively, using the tools that we have under the bilateral FTA. And, if confirmed, I will be pushing very hard—I have a background with the business sector, I served in the private sector, and I've done a lot of work helping U.S. businesses over the years, and I would pledge to continue and intensify that, if confirmed.

Senator CORKER. Thank you.

Thank you, Mr. Chairman.

Senator CARDIN. Senator Menendez.

Senator MENENDEZ. Thank you, Mr. Chairman. I want to thank all of the gentlemen who are here before us for their willingness to serve, and their families for their willingness to have what is also a degree of sacrifice in some respects, in terms of moving and being displaced, and sometimes interceding in their own professional lives. So, we appreciate their sacrifices, as well.

Let me start with you, Mr. Fannin. I appreciate your opening statement. I think it reflects a lot of the things we talked about yesterday, and I appreciate, obviously, you listened well, and that's

a good sign of an ambassador who starts out by—if you can do it here, you can do it in the Dominican Republic, so I appreciate your statement, incorporating some of the things.

And I just want to say, I know from our conversation yesterday you have not been able to visit the country yet, and are stopped from doing so until you get through this process. You're going to be able to go to a—if you are successful, which I believe you will be—a great country with an incredibly warm and hardworking people. From a historic city in Santo Domingo, to a great places like Cenamal which has a mountainside that leads to a bay where there is a whaling season, to Santiago, which was the first capitol of the Dominican Republic and is the heart of tobacco growing, to Punta Cana which must have been still how Columbus discovered it, except for all of the hotels that are being added to the area, and where most Americans go to travel.

So, it's an idyllic place. And yet, it has some very significant challenges. And so, I heard your statement, and I hope that you will add to your portfolio while you are there—certainly the economic component is very important to us, as it is to the Dominicans. But I hope that there are two other items, one which you did touch upon, and I appreciate that.

I just want to say, you know, it was President Bush who declared the Dominican Republic last year as one of the four major drug transit countries in the hemisphere. And our own United States Joint Inter-Agency Task Force South said that the number of drug-smuggling flights from Venezuela to Haiti and the Dominican Republic increased by 167 percent. A hundred and sixty-seven percent, between the years 2005 and 2006.

So, I hope that as part of your portfolio you're going to continue to press this issue with President Fernandez. I think it's in their interests, obviously such transiting is corrosive in their own society, but certainly it's a concern to us in our own country.

And the flip side of that is Transparency International 2006 Corruption Perception Index, which listed Dominican Republic as "rampant." I know of U.S. companies that have provided services, products or investments, and who arbitrarily and capriciously have seen either their nonpayment, or interference in their investments. It's bad for the Dominican Republic, because it sends the wrong message about the ability and the desirability of United States companies to go and make investments, and certainly to lend services.

So, I hope that that will be also part of your portfolio. Can I expect you to include that, as well as the economic aspects?

Mr. FANNIN. Yes, sir. You sure can.

Senator MENENDEZ. Thank you.

Mr. Simons, you're going to a great country, as well, as I'm sure you know. And I listened to the three points that you talked about—I agree with you. The third point on economic and political freedoms and using Chile as a place that is an example of that at a time in which we are challenged within the hemisphere. I believe that is true, except that Chile, under President Bachelet has been hailed as a modern leftist government, but recent protests do not bode well for the future of her administration, at least as it would seem now.

I'm wondering what your view is, given the success story that Chile has been—what explains for the unrest within Chile? And in that context, how will we be able to get the Chileans to play a role that is more significant in the hemisphere, particularly with Chavez being a next-door neighbor with a lot of—trying to—exert a lot of influence in the hemisphere that I personally don't believe is in our national interest.

Mr. SIMONS. Thank you, Senator Menendez, it's a very thoughtful question. With respect to—

Senator MENENDEZ. I only ask thoughtful questions. [Laughter.] No, I'm just kidding. Thanks for the compliment.

Mr. SIMONS. With respect to President Bachelet's internal situation, I would just point out that Chile is a strong, vibrant democracy, it's had four successful changes of government in the past 17 years, and as it has matured, in any kind of open democracy with free expression, you have people that are speaking out and expressing their views. And so you have poll numbers that fluctuate.

But, we have had an excellent relationship with the Bachelet administration across a broad range of areas, and the fact that Chile is a vibrant democracy, I think, helps us work with the Chileans.

Now, with respect to Venezuela, I think you point out rightly, Venezuelan relations are a challenge for many of our friends in this hemisphere. President Bachelet has, herself, used the expression, "A different path"—Chile is pursuing a different path. It's a path that involves freedom of expression, political pluralism, obviously a different economic path.

Undersecretary Hughes in the State Department has used the expression, "diplomacy of deeds." She's charged many of us career officers with pursuing that. And to some extent, Chile is pursuing a diplomacy of deeds in the hemisphere—is showing what the results are of this different path.

And so, I think this is something that, if confirmed, I would work to encourage Chile to do, pursue this path, and to find ways to demonstrate that this different path yields improved results for the publics of Chile, and other countries. So, I would definitely work on that.

Senator MENENDEZ. I appreciate that. I don't mean for my comments to be misunderstood on President Bachelet. I actually think she's doing a good job, but it's within the success that Chile has had economically and politically, opening up, that you see these protests, and you wonder—what are the underpinnings of that? Outside of the—little bit of the transportation fiasco that they had there for awhile.

It is—if one chalks it up strictly to the fulfillment of democracy, that's great. But I'm, you know, I'm concerned that there are other underpinnings, and you know, we'd look forward to, as you get on the ground, getting a sense from you whether it's strictly the fulfillment of democracy, and a boisterous democracy, or whether there are other issues there that are involved, as well.

Finally, Mr. Johnson, let me—I have the toughest questions for you. But then, you have one of the toughest assignments here, and I recognize that.

I have been, since my House days, a strong supporter of Plan Colombia. But I have to be honest with you, my support is—I am in-

creasingly becoming skeptical of that support. I look at the results of the Office of National Drug Control Policy's 2006 government survey of cultivation in Colombia that indicates that statistically there was no change in the amount of coca being grown between 2005 and 2006.

In a recent briefing before the Senate, we were told the startling fact that, "70 percent of fields that have been reconstituted within 6 months of spraying, according to the State Department's most recent verification mission." I think that's a pretty serious problem. If we're going through all of this effort, and that after we spray a field, 70 percent is reconstituted in some way, shape, or form, makes me wonder about the nature of our policy there.

And then, when I look at that, I put that on the side for a minute, I'm going to let you answer all of this in a holistic way—then I understand the administration is in the midst of some negotiations with Mexico about a cross-border efforts on drug gangs that operate on both sides of the United States-Mexico border. I'd love to know where we're headed there, because the administration ought to come to this Congress to ask for that money. This is a key issue, but what's that policy going to be, and I don't know if you know what it is at this point, or what you think it should be from your experiences, but I'd like to hear that.

And last, Guatemala. You know, the—sort of like the sexy parts of this are Colombians, the Andean Region, Afghanistan, and others, but I am concerned that we are not looking at Guatemala. From what I understand, entire swaths of the country are run by drug traffickers. Not only do they control the area where they transit their planes, they try to control the people. They do everything from pay for a deala la huera, to soccer fields, they try to buy the government off at the local level, and I feel that often Guatemala is forgotten in our discussion of the hemisphere, particularly when we see crime and violence levels that are startling, a judicial system that is weak, and impunity remaining a serious problem.

So I'd like you to give me—because none of these things, this is like Jell-O in my mind. You push it in one place, it pops out in another, when it's within the hemisphere—and so I'd like to hear your views on all of that.

Mr. JOHNSON. Thank you, Senator.

First of all, when you started out with the first question, you said some kind things about our families, and it reminded me that I had neglected to note that my son, Andrew is with us today, and—but my daughters, Carrie and Rachel, couldn't make it, they're in school—

Senator MENENDEZ. We'll correct the record. [Laughter.]

Mr. JOHNSON. I need to correct the record so I can go home tonight.

Senator MENENDEZ. You can go home. [Laughter.]

Mr. JOHNSON. With respect to those very difficult questions that you raise, eradication of coca is not like poppy. When you knock down a poppy field, whether you do it manually or chemically, it's done for the year. The coca can be reconstituted more easily, you can grow multiple crops a year, so I'm not sure how to balance the 70 percent reconstitution against the art of the possible, but I would note that as part of the issue that we're dealing with. And

that while—if you can grow multiple crops in a single year, if you—some of the counting rules have to be rethought there just a little bit.

But our main goal there remains not just to spray crops, or to manually eliminate them for its own purpose, we want to extend the writ of the Colombian Government. And, I think your support and the support of your colleagues over the last several years for the resources for Plan Colombia and now its successor, have been key in essentially making Colombia a different place than it was when Undersecretary Pickering would come up here and testify on behalf of Plan Colombia. This is a—I think we shouldn't over-do the challenge we—I mean, we shouldn't underestimate how far we've come here, even though the statistics are very, very difficult.

I also feel a little bit, when I'm looking at these statistics, like someone who is trying to deal with financial statements where the rules have been changed, where the way that we've estimated this has changed during the period of time. Now, that says one thing in terms of what you're trying to do. But, if you're the investor, what you're asking yourself are, which rules are correct? I mean, am I making money, or am I not? Are we eliminating this problem, or are we not? And I think we've made some progress there, but I think that we still have a long way to go.

And so, as you consider where you wish to be as a legislator on the future appropriations for Colombia, I think that I'm going to have to be asking for your generosity to continue. Because I think it remains in the selfish interest of our country. But, I think it is still with—not just legitimate, but it's the thing you ought to do, to push us to see if we can craft better, more effective ways to confront this problem, always bearing in mind that what we're trying to do is deal with the problem itself, rather than the accounting, perhaps, that we may be focused on here.

In the case of Mexico—I understand that sometime, perhaps, as early as later this week there may be some further information on this issue. I know that the State Department has been working during the course of the summer with the Mexican authorities to try to come up with a program which will, indeed, be effective. I'm not in a position to announce that, if you will.

But the question that I think that you are raising is to whether this will be a good idea, whether we will be effective here. I think it's—it is appropriate to reflect on the new situation politically we're faced with in Mexico, with President Calderon, and his very clear determination to make a difference in his country.

I think it is in our own interest to take advantage of this opportunity and to see if we can find ways to work together. Because this—anything going on in Mexico, particularly in this case, because it is, these are issues that are really on the border—affect our citizens quite quickly and quite clearly. So working together to see if we can craft a program which is in our own interest and in the interest of the people of Mexico, I think, makes a great deal of sense.

With respect to Guatemala, you are quite right that our efforts in this, in the Caribbean Basin, are going to have potential for displacement if we push the balloon in one direction that has the potential, at least, for popping out someplace else.

And so, I think if you—as we work on the initiative for Mexico, it will be combined with one for all of Central America, so that we can address this in a more complete manner.

Thank you.

Senator MENENDEZ. Thank you, Mr. Chairman.

Senator CARDIN. Thank you. Mr. Fannin, if you need someone to promote domestic, Dominican Republic for investment by United States companies, you might want to take Senator Menendez with you. It seems like he has a good understanding of the Dominican Republic.

Mr. FANNIN. Yes, sir, Senator, I agree. Thank you very much.

Senator CARDIN. I have one or two more questions, if I might.

You talked about the CAFTA-DR free trade agreement, and we have—we are the major trading partner for the Dominican Republic, and it's somewhat balanced. The trade agreement has not been confirmed yet by the Dominican Republic, there appears to be some concerns locally about revenue loss and other issues.

I was very encouraged by your comments and your statement about working to implement the CAFTA-DR agreements including dealing with labor and environmental issues. I'm just interested in your commitment or understanding as to where the Dominicans are in the enactment of the necessary laws to implement the free trade agreement?

Mr. FANNIN. Mr. Chairman, I think that there are—I couldn't give you a percentage, because I am not knowledgeable as to what has—all of the things that have passed in terms of regulations and laws. I do know that there has been an effort to cooperate with the efforts of USAID, in terms of those things that we talked about earlier that are really important to business. One, that we would have people who are trained judges, trained prosecutors, public defenders—people where we have a reliable judicial system.

In fact, I think one of the people that I talked to indicate that there still needs to be some things done to get the full benefit of this, in terms of the enactment of regulations and laws. I couldn't tell you exactly what those things are, but I know there is a real effort on the part of the government and President Fernandez to make it work. And his conversations with the Deputy Secretary recently, I know that was mentioned—he wants to do everything he can to make it work, and is working hard on that.

Senator CARDIN. Let me just, you—I think you mentioned this in your statement, but let me just underscore it. We have tried to monitor, very carefully, corruption issues within countries that we have business with, and the Dominican Republic has not ranked very well in fighting public corruption.

Unfortunately, in too many countries they think it's somewhat of a way of existence. And, I think that the U.S. presence, through the ambassador, can play a very important role in making it clear that a country that intends to continue progress must fight public corruption—all corruption—but clearly needs to deal with it within the governmental sector.

Mr. FANNIN. Mr. Chairman, I hope—if confirmed—to be very much a part of trying to help with that situation. I think that's the thing that Senator Menendez talked about drugs and corruption are really problems—serious problems. And as Mr. Johnson was

saying, the impact on our country from the drugs being transited through there, really has a lot to do with the corruption—the money that's available that comes through for the transiting of drugs through the country.

So, I would do—I use my legal background—to make sure that they are doing what they're supposed to be doing, in terms of the training of prosecutors and judges, in providing them with the technical systems to ensure that those who violate the law are, in fact, prosecuted. And effectively prosecuted.

Senator CARDIN. I would add also, the independence of the judiciary, which is critical if you're going to fight public corruption issues.

Mr. FANNIN. Yes, Mr. Chairman.

Senator CARDIN. Thank you.

Mr. SIMONS, I want to come back to the free trade agreement with Chile for just one moment. Chile has been—had a growing economy, so we do expect that there would be increased economic activity between the United States and Chile. We've seen that—I'm not sure I would credit all of it to the free trade agreement—but clearly the free trade agreements opened up opportunities, there's no question about that.

At the same time, as you point out, Asia—particularly China—has been very aggressive in its relationships with Chile. Seems to me that we need to increase our attention to Chile, as far as Chilean trade is concerned, and that the competition—particularly with Chile being so aggressive internationally—is one that could be a challenge to the United States. I would appreciate your views on that.

Mr. SIMONS. Thank you, Mr. Chairman.

I think I agree with everything that you've said. The free trade agreement, our bilateral free trade agreement, does provide us a unique platform to bring different kinds of American businesses down to Chile. We have a very strong investment chapter, for example, of our free trade agreement, that provides features that are commonly found in bilateral investment treaties.

We have strong intellectual property rights provisions of the FTA that we're working with the Chileans to get implemented. This is an area where we need to devote some more work.

And, we have openings in our agricultural sector, for additional exports there. And, I think, services is a very interesting area, as well. As you pointed out in your opening remarks, Mr. Chairman, Chile has now reached middle income status, but it's still realized, largely, on the export of primary products, and it does some processing of those primary products and sells them abroad.

But, to take the next leap, to leap into the knowledge-based kind of society where our services, exports, will be a lot more competitive is something that we need to work on together. I think the free trade agreement provides us a platform to do that. And clearly, this is an area where we have a competitive advantage over the Chinese or others.

So, I think we need to look at the sectors in which we have comparative advantage, and work closely with the business community. I agree, Washington needs to pay attention to Chile. It would be

terrific if we could get some visits from Members of Congress, as well. If confirmed I would love to see that, and your staffs.

But, I agree with you, and it will definitely be an issue of priority, attention to me, if confirmed.

Senator CARDIN. Thank you.

Mr. Johnson, I've got to put my Helsinki hat on just for a moment, and ask you about trafficking of human beings. As you know, the United States took the leadership in sensitizing the international community to our collective responsibility to stop the trafficking of people. And that comes under some of your work, and I just wanted to make sure that that will remain a very high priority, in working to combat trafficking.

Mr. JOHNSON. Mr. Chairman, it certainly will. That's a multipronged effort in the United States Government, and one where I think our greatest contribution in the Bureau that I will lead, since the primary responsibility for the center on that, I think, is going to shift from us to the Bureau of Diplomatic Security in the next few months—is to help them and to help the other elements here, to work with finding out where these organizations are, and where the trafficking in persons is—fits with trafficking in other illicit products, in particular, narcotics—so that we can attack this together.

So that will very much remain something that I am interested in, and working on, if I am confirmed.

Senator CARDIN. I just want to make sure that any transfer of responsibility is not to diminish the importance of the issues, but to work more effectively to combat it, and continue U.S. international leadership in that area.

Mr. JOHNSON. Sir, I'll do my best to do so.

Senator CARDIN. Thank you.

Senator Corker.

Senator CORKER. Mr. Chairman, I think we have three excellent candidates, I really think the questioning has been very good. I appreciate you having this meeting, and I want to thank their families for being here in support of them. I know it means a lot to all of us when that occurs, and for their sacrifices. And I hope we have a very speedy approval process so that these men can begin some great work on behalf of our country.

Senator CARDIN. Well, Senator Corker, I'm going to agree. I've been through several confirmation hearings, and normally you get somewhat prepared, recorded replies. I was impressed by all three of you, and the depth of your knowledge of the subjects, and your commitment to the priorities of your post. And, I thank you very much for your candor here today, they're extremely difficult assignments, all three, with real challenges and opportunities, and we thank you very much for being willing and prepared to serve your country.

The record will remain open for 2 days, so the committee members may submit additional questions for the record. I've asked that each nominee respond quickly to those questions, if they are submitted, so that we can move forward on the confirmation process as quickly as possible.

If there's nothing further, the committee will stand adjourned. Thank you all very much.

[Whereupon, at 3:46 p.m., the hearing was adjourned.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

RESPONSES OF HON. DAVID T. JOHNSON TO QUESTIONS SUBMITTED
BY SENATOR JOSEPH R. BIDEN, JR.

Question. You have never worked in the INL Bureau, and you have never served in a country that is a major drug producer or transit country. What qualifies you for this position? Have you ever administered programs overseas of this size and scope?

Answer. During my almost 30 years in the Foreign Service, I have held several positions with responsibility for significant resources—both human and monetary. That is particularly the case with my assignments over the last 10 years—United States Ambassador to the OSCE, Coordinator for Afghanistan, and Chargé and Deputy Chief of Mission in London.

London's 800-plus person Embassy engages in almost every aspect of American policy, including our multiple joint efforts with the United Kingdom in Latin America, Afghanistan, and Iraq, where INL's programs are working to advance American interests. During my tenure there, I worked directly on every one of them. As Coordinator for Afghanistan, I worked to ensure that INL programs were properly executed by the interagency community and fully integrated into our overall national and multinational efforts. The large-scale efforts INL is now supporting in Afghanistan date their beginnings to this period.

As U.S. Ambassador to the OSCE, I played a key, personal role in the integration of INL programs into that organization's significant conflict prevention and post-conflict reconstruction efforts in the Balkans, the Caucasus, and Central Asia. The OSCE Police School in Kosovo is the international community's most successful police training effort. The OSCE Senior Police Advisor program provides emerging democracies with advice and training on modern, service-focused policing. And the OSCE has integrated police training and advice into most of the OSCE Missions. All of these initiatives were driven by the United States with firm, personal backing from me.

Finally, my first Foreign Service assignment, on the United States-Mexican border at Ciudad Juarez, gave me a firm grounding in the extraordinary challenges and opportunities that arise from our border relationship, especially the challenges of cross-border crime and narcotics trafficking. It is a grounding one never forgets.

Question. What are your top three objectives, if confirmed? A year from now, what do you hope to be able to report that you have accomplished?

Answer. If confirmed in this position, I will strive to achieve the following top objectives:

- An effectively crafted, effectively implemented program of cooperative law enforcement and counternarcotics with Mexico that enhances Mexico's ability to confront narcotics-related violence and trafficking within Mexico and along our shared border and strengthens Mexican ability to cooperate more effectively with United States, state, and local law enforcement agencies working along that border.
- In Colombia and Afghanistan, measurably lowering the quantity of narcotics available for market and, in the case of Colombia, placing ever greater levels of responsibility in the hands of the Colombians.
- Developing and supporting civilian law enforcement and justice sector reform programs—both large, as in Iraq and Afghanistan and smaller, as in Lebanon and Kosovo—that provide both greater value for the taxpayer's dollar and a more effective partner in providing public safety in ungoverned or inadequately governed territories.

Reaching these objectives will require sustained, long-term approaches, some of which are already underway. Within the next year, if confirmed, I would like to be able to report the following near-term accomplishments:^{*} A more effective counternarcotics program in Afghanistan, including an improved eradication effort in Helmand and other southern provinces in Afghanistan, that will slow or even halt the rapid growth in opium poppy cultivation there in recent years.

- In Colombia, continued reductions in the level of civil violence and consequent increases in public safety as a result of United States counterdrug and counterterrorism support for Colombia over recent years. I would also like to report that nationalization efforts have begun to reduce the need for U.S. financial

support for certain aspects of aviation programs as described in the answer to question No. 4.

- Enhanced law enforcement and counternarcotics cooperation with Mexico. President Calderon has stated his commitment to continue the close cooperation between Mexican and United States law enforcement agencies begun under his predecessor. Over the next year, I hope to see this enhanced cooperation beginning to pay dividends through improved security along our shared border and further progress in our ongoing programs to modernize and professionalize the Mexican federal police and court systems.
- To ensure that INL can manage its increasing responsibilities around the world, if confirmed, I plan over the first several months to complete the restructuring of the Bureau begun by my predecessor, to expand the Bureau's new web-based local financial system to include more posts, and to continue to strengthen oversight mechanisms, especially for larger programs such as the civilian police programs in Iraq and Afghanistan and the INL aviation program.

Question. In April 2007, the administration submitted a report to Congress on the next phase of assistance to Colombia. This report suggests that United States assistance to Colombia will continue at substantial levels, though slowly decrease between fiscal year 2007 and 2013. Do you think that the strategy it outlines takes the right approach, and if so, why?

Answer. The strategy outlined in the administration's report was one based on continued support for the accomplishment of United States' goals and the development of a sustainable nationalization of our programs in Colombia. This is the right approach and one that also recognizes the need to reduce United States funding in Colombia, while guaranteeing the sustainability of the successes in this important bilateral program with a key regional partner. Much has been accomplished in Colombia in the areas of counternarcotics, governability, democracy, and progress in human rights, economic development, and counterterrorism. We cannot afford to let this progress be reversed by withdrawing support too quickly.

INL is in the process of reviewing its programs in Colombia and our nationalization efforts to ensure that we are on the right track. If adjustments are necessary, I look forward to working to strike an appropriate balance.

Question. For several years, the United States has worked with Colombia toward the objective of having that government manage and operate its aerial eradication and other counterdrug programs. Why have we not yet achieved this goal and when can we expect to meet it?

Answer. Every year the Colombian Government has taken over additional responsibilities for its counternarcotics programs, and we are actively accelerating this process. Since the beginning of Plan Colombia the Government of Colombia has invested over \$7 billion in its fight against narcoterrorism and for control of its territory. However, nationalization of complex aviation programs that are, in effect, only 5 years old is challenging. For example, it takes 4 years to select and train a pilot to command a helicopter, and even longer for a master helicopter mechanic. The administration's plan is to have successfully completed nationalization by 2013 and to reduce the annual United States Government investment accordingly, as outlined in the April 2006 Report to Congress on United States Assistance Programs in Colombia and Plans to Transfer Responsibilities to Colombia. In the time since that report was submitted, we have made further progress in nationalization. For instance, we are moving forward on the nationalization of the program for the protection of the Caño Limón pipeline and the Air Bridge Denial program. We are also in discussions for Colombia to assume counternarcotics fuel costs beginning in April 2008. In the area of aviation support, K-MAX helicopters are being returned to the United States as of October 2007 and the Government of Colombia will assume complete support for 13 selected Colombian National Police aircraft in March 2008. Also under discussion is whether to withdraw or hand over the UH-1N helicopters presently under the Colombian Army program in April 2008. Possible reductions in funding from the amounts projected in that report, and a subsequent one sent to the Congress in April 2007, may mean additional adjustments to our plans.

Question. The 2007 U.N. Office on Drugs and Crime World Drug Report indicates that Afghanistan's share of global opium poppy cultivation grew by 59 percent in 2006. Did the United States and other coalition partners in Afghanistan wait too long to address the drug problem after removing the Taliban from power? What do you see as the major obstacles to achieving any meaningful reduction in drug cultivation, and what can be done to remove those obstacles?

Answer. Ever since coalition forces overthrew the Taliban, the United States has worked with the United Kingdom, which assumed the lead in counternarcotics in

Afghanistan, and with other coalition partners to address this difficult problem. Since then, there have been setbacks as well as gains in this effort. In the past year, the number of poppy-free provinces increased from 6 to 13, poppy production in the center and north of Afghanistan is rapidly decreasing, and the Afghan Eradication Force and the provincial governors eradicated 19,047 hectares of poppy, 24 percent more than last year.

Unfortunately, the gains in the north have been more than offset by setbacks in the southern and eastern provinces, where the security situation is the principal obstacle to lowering drug cultivation. For example, more than half of all poppy cultivation is in Helmand province, where the security situation makes most nonmilitary activities impossible. The United States counternarcotics strategy for Afghanistan is an interagency effort specifically designed to confront opium production in the current security environment.

Improved counternarcotics-counterinsurgency coordination along with a plan to conduct forced eradication in areas where negotiated eradication has been unsuccessful will help us to overcome the problems presented by the lack of security, especially in Helmand. Forced eradication is necessary in some areas where farmers believe the Taliban will protect their fields. In addition to improving the speed and efficiency of eradication, forced eradication will allow us to go after the wealthiest farmers who are profiting the most from poppy and send a signal to poor farmers that eradication is performed equitably. Additionally, the Good Performers Initiative is designed to incentivize provincial leaders by rewarding provinces that are poppy free or have made significant reductions in poppy cultivation. We must also improve Afghanistan's ability to take down high-level traffickers to demonstrate that our effort is not exclusively focused on eradicating drug crops and that anyone along the supply chain is vulnerable to prosecution.

Question. A recent joint report of the Inspectors General of the Departments of State and Defense (issued July 2007) found that the "priority granted to counternarcotics and concomitant responsibilities of various United States Government elements is not sufficiently clear and specific. Interlocutors, both in Washington and Afghanistan, were unable to point to a clear, overarching strategy." The report recommended that the State Department take the lead in developing a policy document on roles and responsibilities, a recommendation with which INL disagreed. Have you reviewed this report? What is your view about this recommendation?

Answer. INL concurred in part with the Inspectors General recommendation in its July 2007 report but disagreed as to rank-ordering priorities. In January of this year, when we received information that the 2007 poppy harvest would likely exceed the previous year's record high, Office of National Drug Control Policy Director John Walters and Deputy Secretary of State John Negroponte, asked that an interagency group be convened to evaluate all aspects of the counternarcotics strategy and to propose recommendations to achieve better results. As a result, a high-level interagency group, comprised of the Departments of State, Defense, Justice, Agriculture, and Treasury; the Drug Enforcement Administration; the Office of National Drug Control Policy; and the U.S. Agency for International Development, labored over many months to ensure long-term success, while looking for ideas to also achieve successes in the short-term. The President also appointed a Coordinator for Counternarcotics and Justice Reform with the rank of ambassador to oversee this effort, and in July 2007, the interagency U.S. Counternarcotics Strategy for Afghanistan was adopted as United States policy.

This document provides greater guidance with regard to respective United States Government roles and responsibilities. However, providing a precise rank-ordering of the priority of counternarcotics vis-a-vis other U.S. objectives is complicated by the interrelated nature of our top four policy priorities in Afghanistan—democracy building, counterinsurgency, counternarcotics, and rule of law. For example, there is mounting evidence of the linkage between the insurgency and narcotics trafficking. The counternarcotics/counterinsurgency nexus also feeds corruption and diminishes democratic governance, illustrating the interconnectedness of these issues. In this context, seeking to assign a rank-order priority to objectives would undermine current efforts to integrate United States Government activities in a way that is most productive and cost-beneficial, and best advances our policy interests.

Question. In August, the State Department issued a new counternarcotics strategy for Afghanistan. What is new about this strategy? Why, in your judgment, will it make a difference?

Answer. There are three significant pieces of the updated counternarcotics strategy that will make a difference both in the near- and long-term in Afghanistan. An enhanced "carrots and sticks" approach will dramatically increase development as-

sistance to provide incentives for licit development while simultaneously amplifying the scope and intensity of both interdiction and eradication operations. The Good Performers Initiative will provide development assistance to provinces that have made dramatic reductions in poppy cultivation or that are poppy-free. The United States has committed \$35 million dollars so far to this effort. The strategy also seeks to improve counternarcotics and counterinsurgency planning and operations in a manner not previously accomplished, with a particular emphasis on integrating drug interdiction into the counterinsurgency mission. Finally, the strategy encourages sustained political will for counternarcotics efforts among the Afghan Government, our allies, and international civilian/military organizations, and strengthens public information efforts at the grassroots level.

I believe the refined strategy will certainly improve the coordination of our overall counternarcotics efforts and is likely to make a positive impact as many of these elements have already proven successful in parts of Afghanistan.

Question. It has been reported that the United States Government and the Mexican Government are in discussions about a substantial package of assistance by the United States to help Mexico's counternarcotics efforts, as well as the countries of Central America. Is such a package in development? When do you expect that it will be announced? What level of funding, and what types of assistance, do you expect will be requested?

Answer. The Governments of the United States and Mexico are discussing cooperative steps to address what President Bush described as a "common problem on our shared border"—drug and other illegal trafficking, and the violence associated with it. We are also considering the best way to support the countries of Central America in confronting the transnational threats we share, including narcotics trafficking, organized crime, and criminal gangs.

President Bush first discussed security cooperation with then President-elect Calderon in November 2006. These discussions continued during the President's visit to the region in March 2007, as outlined in the joint United States-Mexico Communiqué of March 2007. In May, the Government of Mexico approached the United States with suggested areas for greater cooperation, and technical experts from both governments subsequently began meeting to define needs and areas where we might usefully work together. At the North American Leaders' Summit in Montebello, Canada, on August 20–21, Presidents Bush and Calderon agreed to address the drug trafficking and narcotics-related violence affecting both countries. Separately, in August, the member countries of the Central American System for Integration (SICA) held internal discussions about developing their own regional strategy to combat crime. United States Embassies in Central America have also advised on the types of projects that could assist the Central American initiative and support our policy goals.

Our continuing discussions with the Governments of Mexico and Central American countries are focusing on three broad areas: counternarcotics and border security; public security and law enforcement; and strengthening institutions and rule of law. Possible areas of joint work could include strengthening Mexico's southern border, enhanced computer and database networks to make Mexico's law enforcement agencies more efficient and transparent, and measures to professionalize Mexico's federal law enforcement personnel. The administration is also considering programs that would help law enforcement and court institutions to ensure due process, transparency, proper oversight, responsiveness to citizen complaints, and protection of human rights. For Central America, a number of options are being considered, including the provision of tools, training, and technical expertise.

The nature and extent of cooperation with Mexico and Central America have not been finalized, so no official announcement has been scheduled. The administration is assessing how to fund any resulting programs in a fiscally responsible manner as well as which accounts might be appropriate to execute these programs. The administration intends to continue its dialog with the Congress as the outlines of our proposed cooperative effort take shape. I look forward to providing additional details to you and your staff as soon as possible.

Question. INL funds and supports several International Law Enforcement Academies (ILEAs) around the globe. What is the utility of these academies? What have they accomplished?

Answer. The ILEAs help advance U.S. interests through international cooperation while promoting social, political, and economic stability by combating crime. To date, ILEAs have trained over 21,000 officials from over 75 countries. They have promoted unprecedented law enforcement cooperation with U.S. and regional counterparts and have enhanced the technical expertise of investigators in practically

every corner of the world. The primary purpose of the ILEAs is to build strong institutions and bring order and stability to emerging democracies and countries afflicted by endemic criminal problems. To accomplish these goals, ILEA graduates have either directed or been instrumental in a wide range of effective actions, such as:

- Enactment of new laws and regulations.
- Changes in curricula at national academies.
- Enhancements in land border and airport security.
- Identification of terrorist groups and sympathizers.
- Improvement in community relations.
- Changes in methods and procedures regarding human rights and fair treatment of the public.
- Effective measures against organized crime.
- Improvement of cooperation with U.S. authorities.
- Creation of task forces and other specialized groups.
- Participation in transnational investigations.
- Apprehension and successful prosecution of notorious criminal figures.
- Seizures of drugs, firearms, explosives, and dangerous materials.
- Prevention of human trafficking and child exploitation.

Listed below are a few of the many accomplishments of ILEA graduates worldwide:

- **Philippines**—Seized a major methamphetamine super lab using techniques learned at ILEA Bangkok.
- **Malawi**—Thwarted a terrorist event as a result of having developed sophisticated explosives investigatory skills at ILEA Gaborone.
- **Georgia**—Participated in and greatly contributed to the successful American-Georgian investigation concerning the assassination attempt on President Bush during a visit to Georgia in 2005. The perpetrator was arrested and convicted, and the investigation was instrumental in the interdiction and seizure of smuggled highly enriched uranium in Georgia.
- **Ukraine**—Set up the first witness protection program in the country.
- **Nicaragua**—Formed the core group of a specialized vetted unit of law enforcement and prosecutors working on an anticorruption and money laundering task force.
- **Lesotho**—Conducted several high-profile arrests at ports of entry for suspected money laundering.
- **Tanzania**—Replicated the training received at ILEA Gaborone to instruct 100 park rangers and 20 other officers involved in the protection of wildlife and natural resources.
- **Hungary**—Established an unprecedented United States-Hungarian cooperative task force targeting international organized crime.
- **Mozambique**—Started the development of an antiterrorism task force within the Ministry of Interior.
- **El Salvador**—Worked with Mexican counterparts to capture and prosecute two Salvadoran murder suspects who had kidnapped two young girls in San Salvador. The suspects were detained in Mexico and extradited to El Salvador.

Question. A State Department Inspector General report (an inspection report of INL, issued in 2005) noted that the ILEA graduate facility in Roswell, NM, has "trained only about a quarter of the number of students envisioned in the original 5-year cooperative agreement (with the New Mexico Institute of Mining and Technology)." Why has that ILEA fallen short in its efforts?

Answer. The International Law Enforcement Academy (ILEA) in Roswell, NM, is administered pursuant to an agreement between INL and the New Mexico Institute of Mining and Technology (NMT). NMT is the primary entity in an effort involving a consortium of subcontractors, including Sam Houston State University, Eastern New Mexico University-Roswell, New Mexico Tech Energetic Materials Research and Testing Center, and the University of New Mexico Survey Research Center.

Original plans for ILEA-Roswell were optimistic. The Request for Proposal (RFP) for ILEA-Roswell, published August 16, 2000, in the Federal Register, specified that 12, 4-week classes of 50 students (600 students per year) would be conducted during the initial year of operation. Planned program expansion in the second year of ILEA-Roswell operation envisioned that two simultaneous classes held concurrently would increase the number of students to 100 per class (1,200 students per year). Unfortunately, ILEA-Roswell expenses have strained the resources made available to support the program and has resulted in an agreement modification to reduce the number classes to 10, 4-week classes of 35 students (350 per year).

Question. INL programs have grown substantially in the last decade. In fiscal year 1996, just over a decade ago, INL's programs totaled about \$115 million. A State Department Inspector General report (an inspection report of INL, issued in 2005), stated that procurement officials in the Bureau of Administration do not believe that INL has sufficient managers to administer its programs, and that "most INL program managers are inexperienced and not well informed about government contracting requirements." Have you reviewed the staffing and experience of program managers in INL? Does the bureau have the personnel necessary to manage these programs and oversee the many contractors involved in implementing them?

Answer. INL increased its domestic staffing by 35 personnel subsequent to the 2005 OIG inspection report. The personnel increases focused on improving INL's program, resource, and contract management. In 2006, INL established an Afghanistan, Iraq, and Jordan contract management support group located in the United States and, working with Embassies Baghdad and Kabul, increased program and contract management staffing at these posts by a total of 20 personnel. Within the past year, INL increased the number of in-country contract officer's representatives by 10. INL continues to hire specialists to strengthen program and contract management efforts for both overseas and domestic operations. In addition, personnel involved in contract management are required to take the Department's contract officer's representative course. I believe that INL has made significant progress in improving its program and contract management functions. The Department's Office of the Inspector General and the Special Inspector General for Iraq Reconstruction have also noted the improvements made in their reports.

If confirmed, I will continue efforts to improve INL's program and contract management operations.

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

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

Answer. Yes, I have read 04 STATE 258893.

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

Answer. Yes, I understand the content of this cable and, if confirmed as Ambassador to the Dominican Republic, will execute United States policy as requested and directed by the Secretary of State.

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

Answer. Yes, I understand, and if confirmed will execute all applicable U.S. policy with regard to the Peace Corps.

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

Answer. Yes, if confirmed I will exercise my chief of mission authorities as requested and directed by the Secretary of State.

RESPONSES OF PAUL E. SIMONS TO QUESTIONS SUBMITTED
BY SENATOR RICHARD G. LUGAR

Question. The United States-Chile Free Trade Agreement (FTA) has been in force for over a year. By most accounts, it has been of major benefit to both countries, increasing bilateral trade by 30 percent in 2006. The United States remains Chile's No. 1 trading partner with two-way trade in merchandise topping US \$8 billion. The FTA also encourages foreign investment in Chile, another component of Chile's economic success.

How will you improve upon this FTA's success? Describe the outreach activities you would lead in order to introduce Chilean business officials to investment opportunities in the United States. Describe the outreach activities you would lead in

order to introduce United States business officials to investment opportunities in Chile.

Answer. In the 3 years since it has been in place, our bilateral Free Trade Agreement with Chile has been successful in helping to expand two-way trade between our countries. If confirmed, I will endeavor to ensure a level playing field for United States firms and investors already doing business in Chile. I will place a high priority on expanding United States Government engagement with the business sectors in both Chile and the United States, working with my strong Embassy team. I am planning to counsel United States firms regarding the advantages and new opportunities for American products and services in Chile as a result of the FTA. I intend to deepen our work with the already active United States Chamber of Commerce chapter in Chile, as well as local Chilean chambers, in order to leverage and expand our outreach to increase both trade and investment flows. If confirmed, I will encourage more bilateral trade missions between Chile and the United States. I also hope to lead and participate in targeted "Ambassador Tours" to key United States cities, both individually as well as with my colleagues from other United States Embassies in Latin America. Regarding investment in the United States, I want to work proactively with individual states, as appropriate, also developing relationships with state offices in Chile and other parts of the Southern Cone. If confirmed, I will lend the embassy's support in welcoming individual and sectoral investment missions from the United States to Chile, as well as working to disseminate details of individual investment opportunities in Chile throughout the United States.

Question. Some aspects of the FTA with Chile are still below expectations. In the area of intellectual property, differences of interpretation have arisen between the Chilean Government and Washington regarding the fulfillment of some commitments, and some in Santiago have expressed disappointment regarding access to the United States Government procurement market. If confirmed, what initiatives will you pursue to address these concerns?

Answer. United States Government agencies, including the Departments of State, Commerce, and Treasury, and the Office of the U.S. Trade Representative (USTR), are working through our Embassy in Santiago to encourage Chile to improve its protection of intellectual property rights (IPR), including by fully implementing its FTA intellectual property commitments. In January 2007, United States agencies placed Chile on the Priority Watch List as a result of the 2007 Section 301 Review Process, in recognition of weaknesses in Chile's patent protection and copyright regimes. Currently, our Embassy in Santiago is engaged in a close dialog with the Chilean Government as well as with stakeholders in the private sector, media, and academic circles on intellectual property issues. The embassy has sponsored seminars and training on IPR issues and has coordinated closely with U.S. companies and sectors most directly affected by IPR violations. The Department of State also approved \$200,000 in fiscal year 2007 funding to provide IPR law enforcement training to Chilean border and customs enforcement officials. Along with Commerce and USTR, we are also working with Chile to ensure antipiracy legislation before the Chilean Congress is in keeping with Chile's obligations under our bilateral FTA.

If confirmed, I will intensify these efforts and seek to enhance the constructive dialog we have with Chile on IPR by drawing in United States private sector and Chilean stakeholders. Drawing on my experience with this issue in previous assignments in Ecuador and Israel, I will look for opportunities to deepen public outreach on intellectual property issues, highlighting its importance to Chile's efforts to build a knowledge-based economy. I will also reach out to partners such as the European Union and Japan, which also have FTAs with Chile and similar concerns about its IPR protections.

As for accessing the United States Government procurement market, if confirmed, I will work with our team in the embassy to ensure that Chilean companies have the same transparent opportunities to access our official procurement procedures as do United States companies. In this regard, I will work with our embassy team and Chilean authorities to improve Chilean companies' understanding of the United States Government procurement market and their preparation to participate in it.

Question. Chile is nearly ready to announce its decision on which digital television standard it would choose—the Japanese, European, or American one. Officials at Chile's Telecommunications Sub-Secretary have stated that they are waiting for final test and consultant reports and hoped to announce the decision sometime in November or December 2007.

President Michelle Bachelet said recently the standard chosen would be the one that best fits the country's needs and allows the best access to viewers of nonpaid

broadcast television. How does the U.S. meet those standards better than its competitors?

Answer. Working closely with the industry association representing the companies behind the Advanced Television Systems Committee (ATSC) digital television broadcast standard, the United States Embassy in Santiago, in cooperation with the Departments of State and Commerce, has been actively working to promote selection of ATSC by the Chilean Government for over a year. As you noted, Chile is currently evaluating the three competing standards—ATSC, Europe's DVB, and Japan's ISDB. The European standard is considered the ATSC's main competitor in Chile, as Japan has had limited success in promoting its standard, with the important exception of Brazil.

Chile's Government has consistently noted that "social" considerations will factor into its decision making process on digital television. The ATSC Standard fully meets this consideration by providing much better picture quality via high-definition television, plus a much greater quantity of program options and a limitless variety of new information services. These new services can help bridge the digital divide by delivering health care, education, training, government information, and the most popular Internet content to the poorest segments of society, including people who may never own a personal computer.

The ATSC Standard meets Chile's social objectives better than the competing standards from Europe and Japan, because the ATSC system can reach many more viewers with the same transmitted power. ATSC also delivers a substantially higher data payload, which translates directly into a greater quantity, and higher quality, of services.

Of course, certain costs associated with any country's termination of analog television broadcasts and beginning digital-only broadcasts are unavoidable, irrespective of which standard is chosen. In addition to broadcasters having to purchase and install new studio and transmission equipment, consumers also need to adapt by buying either new digital television sets or a set-top converter that will enable them to continue using their existing analog TV sets. One of the Chilean Government's primary concerns has been the cost to consumers, particularly the poor, as they transition from analog to digital.

The ATSC Standard offers the lowest prices both for integrated digital televisions and digital set-top converters, because of the economies of scale that flow from using the same standard that is already widely deployed in North America and South Korea. This is demonstrated regularly in the United States as prices for new digital televisions continue to drop. Thirty to forty million ATSC digital converter boxes are expected to be sold in 2008 in the United States, ensuring the availability of low-cost converters (\$50 or less) in Chile.

While there are very real economic costs associated with transitioning to digital television, the choice of the broadcast standard can have important consequences in terms of minimizing those costs. In addition to the economies of scale argument, the ATSC standard also requires less powerful transmitters and much less energy than its competitors to deliver larger amounts of data to wider or remote geographical areas. The European and Japanese standards both require transmitters that are four times more powerful than ATSC to achieve the same coverage area, increasing the acquisition and operating cost for broadcasters.

In summary, the ATSC standard offers Chile a world-class television system with full access to high-definition television, multiple programs of standard-definition television, and new information services, including interactive services. It provides the lowest cost solution for both consumers and broadcasters, while fully meeting the Chilean Government's objectives for social inclusion. Especially important for developing countries, ATSC has the greatest reach, ensuring that even people in isolated areas can benefit from the new services and superior performance provided by digital television.

Question. Chile has limited domestic energy resources and is heavily dependent on imports for its energy needs. Chile currently imports almost two thirds of its primary energy consumption. In 2005 Chile imported 98 percent of its oil, 96 percent of its coal, and 75 percent of its natural gas. As a result, it is extremely vulnerable to the volatility of international prices and/or supply interruptions.

Please explain what role the United States can play, working in concert with the Chilean Government and private sector in both countries, to help insulate Chile from risks posed by its heavy energy import dependence.

Answer. Like many other countries around the world, Chile faces substantial challenges identifying and securing the energy resources necessary to support its remarkable record of economic growth. As noted in the question, Chile is heavily de-

pendent on imported fuels to support both its transportation, as well as its power generation needs.

A strong interagency team in Washington works closely together on a variety of international energy challenges. For the past 4 years, I have had the privilege of working as a member of that team. It includes officials from the Departments of State, Energy, Commerce, Treasury, Agriculture, Environmental Protection Administration, and the U.S. Trade and Development Agency, with overall coordination provided by the National Security Council. I have also worked closely with the International Energy Agency and the Asia Pacific Economic Cooperation forum, multilateral bodies which handle energy issues, as well as with U.S. private sector firms and think tanks active on international energy issues.

If confirmed, I would hope to draw on that body of experience to identify areas of cooperation that the United States could pursue, either bilaterally, multilaterally, or through our respective private sectors, to advance energy sector cooperation. Among the areas we might explore for further work are energy efficiency, renewable energy (including wind, solar, and geothermal power), liquefied natural gas infrastructure, biofuels, clean coal technologies, nuclear energy, and other energy technologies.

Question. Chile's Government is implementing an ambitious Energy Security Action Plan that seeks to diversify Chile's energy matrix and encourage efficient use of energy. This effort pays particular attention to biofuels and renewable fuel options. In April 2007, I wrote to Assistant Secretary of State for the Western Hemisphere, Thomas Shannon, to encourage closer ties with Chile regarding biofuels and other energy concerns. A delegation of United States Government officials recently signed a biofuels research and development cooperation agreement with Chile.

If confirmed, how will you seek to ensure successful cooperation on energy issues between the United States and Chile? What will be your primary areas of focus for such cooperation? Do you believe that energy cooperation with Chile should be central in United States foreign policy to that country?

Answer. President Bachelet has recognized Chile's need to improve its energy security. Earlier this year, she announced that Energy Minister Tokman would be responsible for implementing an "energy security plan."

If confirmed, I would draw on the expertise of the U.S. energy-policy community to identify areas of potential cooperation in the energy sector, through some combination of bilateral, multilateral, and private sector initiatives. On the transportation side, potential areas of cooperation include energy efficiency and biofuels. With respect to power generation, some areas we might explore include energy efficiency, renewable energy (including wind, solar, and geothermal power), liquefied natural gas infrastructure, nuclear energy, clean coal technologies, and other energy technologies.

Question. Your duties as Deputy Assistant Secretary (DAS) for Energy, Sanctions and Commodities covered a wide range of issues, including energy. As DAS of State for Energy, Sanctions and Commodities, what percentage of your time do you estimate was spent on energy issues? What were your primary responsibilities? Last year Secretary Rice created an International Energy Coordinator. Please describe how that position affected operations of your office.

Answer. As Deputy Assistant Secretary for Energy, Sanctions and Commodities for the past 4 years, I have divided my time among three principal issues: energy, sanctions, and conflict diamonds. While the workload has fluctuated considerably during this period, on balance, I spend approximately two thirds of my time on energy issues, with the remainder devoted to sanctions and diamonds.

My primary responsibilities on the energy front include managing the U.S. relationship with the International Energy Agency, including serving on the IEA Governing Board and as chairman of the principal policy committee of the IEA, the Standing Group on Long-Term Cooperation. I am also heavily involved with United States-China energy issues, G-8 energy policy, the opening of Libya to United States energy investment, and energy policy issues with Russia, Venezuela, and Ecuador, among other countries.

On the sanctions front, my office is responsible for coordinating the State Department's role in the interagency terrorist financing policy process, and we have primary responsibility for implementation of the Iran Sanctions Act. On conflict diamonds, I lead the interagency delegation to the annual Kimberley Process plenary meetings and coordinate interagency policy.

The EEB energy office works very closely and productively with the newly created position of International Energy Coordinator; areas of particular coordination in-

clude biofuels, other new energy technologies, and innovative public/private partnerships.

Question. Earlier this year, Secretary Rice signed an MOU (Memorandum of Understanding) on biofuels cooperation with her Brazilian counterpart, and President Bush announced the initiatives with the President of Brazil.

What role do you believe that cooperation on biofuels and other energy security issues can have on improving United States relations with countries of the Western Hemisphere and standing amongst the general public?

What role do you believe that Chile should play in the United States-Brazil led biofuels initiative?

What impact would reducing or removing current United States import restrictions on biofuels have on United States relations with Chile and other nations of the Western Hemisphere?

Answer. Cooperation on biofuels has already had an important, positive influence on U.S. relations with countries of the Western Hemisphere. Biofuels cooperation demonstrates our desire to work with other governments that share institutional, democratic values toward the improvement of the daily lives of people in our hemisphere. Our partnership with Brazil is recognition of that nation's important role in the hemisphere and its innovative record in the area of renewable energy. Additionally, our work to help develop viable biofuels industries in specific countries in the Western Hemisphere—the Dominican Republic, El Salvador, Haiti, and St. Kitts and Nevis—reflects our interest in promoting economic development and energy diversification.

While Chile is not a target country of our biofuels initiative with Brazil, that initiative has the potential to benefit Chile. The initiative has three parts: (1) helping target countries establish biofuels industries for domestic consumption; (2) research and development of cellulosic ethanol technology; and (3) harmonizing international standards for ethanol. Our efforts on research and development should benefit Chile and other countries over time by bringing down the costs of cellulosic ethanol production, a development of potential value to Chile given its prospects for developing a cellulosic ethanol industry. The international standards harmonization efforts should also assist all countries interested in biofuels production and trade.

While Brazil would clearly welcome the removal of import restrictions on biofuels, such action would have minimal impact on Chile, which currently is not a biofuels producer.

If confirmed, I would plan to explore with United States agencies and the Chilean Government other concrete steps we could take to strengthen bilateral cooperation on biofuels with Chile.

Question. Chile has become an important transshipment country for cocaine destined for Europe; economic prosperity and increasing trade have made Chile more attractive to traffickers seeking to launder drug profits, especially through the Iquique Free Trade Zone.

If confirmed, how will you work with the relevant Chilean authorities to improve controls on money laundering and tracking and halting the importation of precursor chemicals for the manufacture of cocaine, especially those passed on to Bolivia? Should the United States Government consider developing a major cooperative agreement with the Chilean Government centered on stemming the transit of drugs through the north of Chile? Should the United States Government enter into talks with the Chilean Government regarding establishing a Drug Enforcement Administration (DEA) office in Chile?

Answer. Antinarcotics cooperation with Chile is strong. DEA's office in Chile works closely with the two national police agencies and with prosecutors nationwide. DEA cooperation with the investigative police's money laundering unit recently led to the disruption and dismantlement in Chile and the United States of a money laundering ring.

Chile is aware of the increase in drugs flowing through its northern border. DEA has helped establish a multiagency Chilean law enforcement initiative in Arica, Chile's northernmost city. Chile's investigative police, coast guard, and customs agents now work together to fight land and sea shipments of drugs. If confirmed, I will pursue increased cooperation between Government of Chile law enforcement agencies and members of the embassy's law enforcement community, and support Government of Chile efforts to improve interagency cooperation.

State Department International Narcotics and Law Enforcement (INL) funding has been used to train police, prosecutors, and members of Chile's Financial Intelligence Unit in anti-money laundering efforts. INL funding has also provided needed equipment to counternarcotics police. The training and professionalism of Chilean

law enforcement are commendable. However, resources are insufficient to expand investigative initiatives. The issue of cooperation with Chilean authorities to improve anti-money laundering efforts is discussed in the answer to Question 10.

All companies exporting precursor chemicals must register with the Government of Chile. Chile's police investigate all exports of precursor chemicals to Bolivia, and pass on real-time intelligence on suspicious shipments to Bolivian police that have been DEA-vetted. Both Chilean police forces participate in DEA-sponsored enforcement initiatives to coordinate monitoring of precursor chemicals all over South America. The embassy continues to emphasize and develop communication between Chilean and Bolivian police.

The Government of Chile has recently begun formulating a national security plan. One focus of this plan is securing Chile's northern borders from drugs and increasing interagency cooperation in counternarcotics efforts. The Government of Chile has been in regular communication with the embassy (State, FBI and DEA) about their plan.

Question. In 2005, Peru's Congress voted to unilaterally redraw the maritime boundary with Chile, claiming more than 10,000 square miles of ocean space now under Chilean control. Chile claims the disputed area quoting a 1929 treaty, whereas Peru says the treaty established land limits but not maritime boundaries. In June 2007, Peruvian President Alan Garcia declared that he would take Peru's case to the International Criminal Court at The Hague, and relations have deteriorated since. Early last month, Peru published an official map with the new marine boundary, provoking a diplomatic protest from Chile. The Atacama border dispute was a border dispute between Chile and Bolivia in the 1800s which ended in Chilean annexation of all of the Bolivian Coast and the southern tip of Bolivia's ally Peru during the War of the Pacific 1879-1883.

Over a century later, for some, these border disputes remain unresolved. What should the United States Government position be regarding these border issues (Peru and Bolivia)? Should the United States mediate if the situation deteriorates?

Answer. The United States Government first and foremost considers these border disputes between Chile and Peru and Chile and Bolivia as matters to be resolved between those respective nations.

Fortunately, we have seen on the part of all three nations a willingness to discuss the issues cordially and frankly and in accordance with international law and practice. This reflects the good relations extant between Chile and Peru and Chile and Bolivia, respectively.

While we do not seek a role in mediating these disputes, the United States' good offices are always available to our friends.

Question. Reports submitted to the United States Congress by relevant United States Government agencies highlight an increase of activity to support Islamic terrorist groups in the tri-border region of South America (Argentina, Brazil, and Paraguay). This support is happening mostly in the form of money laundering and transfers to and from regions overseas.

Is cooperation between the United States and Chile regarding international terrorism satisfactory? Are Chilean laws and financial sector monitoring sufficiently strong to insulate it from being used by terrorist groups to launder money and transfer money to and from regions overseas? In what areas can you work with the Chilean Government to help strengthen their response to terrorist threats?

Answer. Cooperation between the United States and Chile on money laundering, including that related to international terrorism, is excellent. Chile's relative geographical isolation and reputation for probity have for some time lessened Chile's vulnerability to money laundering, drugs, and terrorism. But its integration into the global economy has changed that, and the Government of Chile has come to recognize these new threats. Many United States Government agencies work with Chilean law enforcement, prosecutors, judges, financial intelligence unit (FIU), and government officials to combat these crimes.

A few examples:

Chile has a special unit, the Grupo de Operaciones Especializadas (GOPE), a 300-person unit of the Carabineros police force, which serves as Chile's primary counter-terrorist reaction force. GOPE participates each year in Exercise Fuerzas Comando, a SOUTHCOM-sponsored special operations seminar designed to refine the tactics, techniques, and procedures used by special operations counterterrorism forces.

The State Department and the U.S. Drug Enforcement Administration (DEA) run regular seminars to train police officials in counternarcotics investigative techniques. A unit trained by one of these seminars produced Chile's first-ever arrest for trafficking crack cocaine.

Inside the judicial system itself, the State Department and Treasury Department have trained police, prosecutors, and members of Chile's FIU in how to develop and successfully prosecute complex money laundering cases. Prosecutions of money laundering have increased in the last year.

The United States Government continually shares information about criminal activity with appropriate authorities within the Chilean Government. In sum, Chile has shown itself to be a reliable partner interested in working with us to address these global challenges.

The embassy cooperates with Chilean police and prosecutors in monitoring possible terrorist finance activity, and is currently examining with the Chileans the possibility of prosecuting one of these cases.

With regard to financial sector monitoring, Chile passed anti-money laundering laws in December 2003 and August 2006, but we believe there is still room for improvement. The FIU, prosecutors, and police are hindered in investigations by Chile's strict bank secrecy laws. Draft legislation that would facilitate lifting bank secrecy for the FIU and public prosecutors is currently sitting in Chile's lower house of Congress. If confirmed, I will emphasize to the Government of Chile the importance of enacting legislation that fully meets international standards and doing everything possible to facilitate investigations. Terrorist financing legislation appears to be solid, but has yet to be tested.

We have a positive and constructive relationship with Chile's Treasury Department, Central Bank, and Financial Intelligence Unit. Chile's FIU requires additional institutional support and capacity-building to be more effective. Additionally, nonbank financial institutions, such as money exchange houses and legal cash couriers, currently do not fall under the supervision of any regulatory body for compliance with anti-money laundering and counterterrorist financing standards.

Our next area of focus will be the judiciary. Police and prosecutors have benefited from United States Government training in the last 2 years, but are finding that many judges have an insufficient understanding of these relatively new crimes to effectively adjudicate cases. Additional training of judges in financial crimes would strengthen Chile's ability to protect itself from being used by drug traffickers and terrorist financiers.

Question. The potential onslaught of the increase in sea level that is expected to result from a global warming of the atmosphere is of chief concern to countries with long coast lines like Chile. In what areas could the United States work with the Chilean Government jointly in this regard?

Do you believe that the United States should encourage Chile to participate in negotiations under the United Nations Framework Convention on Climate Change with the intent of agreeing to binding agreements to limit greenhouse gas emissions?

Answer. In association with the United States-Chile Free Trade Agreement (FTA), we negotiated an Environmental Cooperation Agreement (ECA) that established a framework for United States-Chile cooperation on environmental issues. Under the FTA and ECA, we have worked with Chile on a number of projects that could help combat climate change. For example, we have worked together to promote the development and use of clean energy. In addition, the 2007-2008 ECA Work Plan calls for us to consult with Chile on approaches to clean energy. Under the umbrella of the ECA Work Plan, the U.S. Trade and Development Agency has funded a "reverse trade mission" on geothermal power for a delegation of Chilean officials from the private and public sectors. The group will be in the United States September 28-October 1, meeting with U.S. Government officials as well as U.S. company representatives. Other specific activities contemplated in the plan include promoting other renewable energy opportunities and sharing prospective policy, regulatory, and financial models for the adoption of renewable energy technologies. Additionally, the plan calls for binational consultations on ways to improve energy efficiency in selected industry and construction sectors; exploration of establishment of a program on appliance standards and labeling; and support for the Clean Fuels Partnership initiative to help reduce pollution in the transport sector.

Question. Chile and the United States enjoy an excellent relationship. Today, more than ever, our countries work together on a range of important issues, not the least of which is promoting free trade. In that regard, Chile is a noteworthy success story. Nevertheless, political relationships and cooperation between our two countries could be deeper—Chile's coalition government did not support Guatemala's candidacy to be a member of the Security Council of the United Nations over Venezuela and does not support United States efforts to condemn human rights abuses committed by the Cuban Government.

What are your suggestions to deepen political ties between our two countries? Is there interest in the United States Government to award Chile with Major Non-NATO Ally status? If so, if confirmed, what initiatives will you develop to meet this objective?

Answer. Since President Bush's meeting with President Bachelet in the White House in June 2006, the United States and Chile have exchanged several high-level visits designed to deepen consultations on a wide range of bilateral and multilateral issues, including promotion of democracy, human rights, regional security, non-proliferation, free trade, energy, science and technology and, most recently, education. In this context, we have boosted military exchanges and exercises, and strengthened consultations between senior-level officials at the State Department, Defense Department, and U.S. Southern Command and their Chilean counterparts.

Chile and the United States share a common vision on the importance of working in multilateral fora. Chile has a proven record of support for democratic principles in the Organization of American States and is an active participant in the Community of Democracies, which it chaired in 2005.

We have a vigorous military-to-military relationship with Chile, which includes several annual exercises and bilateral agreements. Secretary Gates is planning to visit Chile in early October to further that relationship. There is no current proposal on Major Non-NATO Ally (MNNA) status; however, we are not opposed to pursuing MNNA if it is in the best interests of both the United States and Chile.

If confirmed, I will work with the administration, Congress, and the Chilean Government to identify additional opportunities for cooperation in the political and security spheres.

Question. Chile and the United States enjoy an excellent relationship, but in recent times the United States's image in Chile has suffered.

Different ambassadors have taken interest in promoting activities to advance understanding between our two countries. Ambassador Craig Kelly promoted Little League baseball in Chile during his tenure with positive results. If confirmed, in addition to the traditional issues that make up our foreign policies to Chile, what new initiatives will you pursue to enhance the United States's image by means of public diplomacy?

Answer. As the question indicates, the overall relationship between Chile and the United States is excellent. Surveys indicate that the majority of Chileans consider the United States to be the country's most important partner in economics, trade, defense, security, and other areas. The United States is the country of choice for Chileans who pursue academic and research programs (particularly at the graduate level), and the United States is a very popular destination for Chileans who can afford recreational travel. American films, television, and other media are immensely popular in Chile. Nevertheless, some aspects of United States politics, culture, society, and values are not as well understood in Chile as they might be, which underlines the need for effective public diplomacy activities that will bring the ambassador, other embassy officials, and visitors from the United States into direct contact with a variety of audiences throughout Chile.

I believe it is important that our public diplomacy programs in Chile reach a broad variety of audiences—from influential policymakers in Santiago to young people, men, and women from diverse cultural groups, and those in economically disadvantaged communities throughout the country.

If confirmed, I will look for ways to work with embassy staff and visitors to reach out to diverse audiences in Chile with a positive message of United States engagement. In this regard, I would expect to draw on a variety of existing and new exchange initiatives, including our flagship Fulbright academic exchange program, our bilateral environmental agreement, various English language teaching programs, our active network of 10 Binational Centers, and 5 American Corners, and sports diplomacy programs. One of the most promising developments in this area is our new Equal Opportunity Scholarship program with Chile, which will support doctoral study in the United States by a diverse group of up to 100 Chilean students annually, in fields addressing Chile's priority national needs. Participating students will come from all walks of life and from all parts of Chile; they will be placed in a wide range of United States' universities with high-quality graduate programs in their fields, including science and technology, public policy, education, environmental studies, and public health.

RESPONSES OF HON. DAVID T. JOHNSON TO QUESTIONS SUBMITTED
BY SENATOR RICHARD G. LUGAR

Question. It has been reported that the United States Government, the Mexican and Central American Governments are in discussions about a bilateral cooperation program of assistance by the United States to help Mexican and Central American counternarcotics efforts. Is such a package in development? When did dialog on the Mexico/Central America aid package begin? Please give specific dates. What are the aid package's components? When do you expect that it will be announced? What level of funding, and what types of assistance (what accounts), do you expect will be requested?

Answer. The Governments of the United States and Mexico are discussing cooperative steps to address what President Bush described as a "common problem on our shared border"—drug and other illegal trafficking, and the violence associated with it. We are also considering the best way to support the countries of Central America confront the transnational threats we share, including narcotics trafficking, organized crime, and criminal gangs.

President Bush first discussed security cooperation with then President-elect Calderon in November 2006. These discussions continued during the President's visit to the region in March 2007, as outlined in the joint United States-Mexico Communiqué of March 2007. In May, the Government of Mexico approached the United States with suggested areas for greater cooperation, and technical experts from both governments subsequently began meeting to define needs and areas where we might usefully work together. At the North American Leaders' Summit in Montebello, Canada, on August 20–21, Presidents Bush and Calderon agreed to address the drug trafficking and narcotics-related violence affecting both countries. Separately, in August, the member countries of the Central American System for Integration (SICA) held internal discussions about developing their own regional strategy to combat crime. United States embassies in Central America have also advised on the types of projects that could assist the Central American initiative and support our policy goals.

Our continuing discussions with the Governments of Mexico and Central American countries are focusing on three broad areas: counternarcotics and border security; public security and law enforcement; and strengthening institutions and rule of law. Possible areas of joint work could include strengthening Mexico's southern border, enhanced computer and database networks to make Mexico's law enforcement agencies more efficient and transparent, and measures to professionalize Mexico's federal law enforcement personnel. The administration is also considering programs that would help law enforcement and court institutions to ensure due process, transparency, proper oversight, responsiveness to citizen complaints, and protection of human rights. For Central America, a number of options are being considered, including the provision of tools, training, and technical expertise.

The nature and extent of cooperation with Mexico and Central America have not been finalized, so no official announcement has been scheduled. The administration is assessing how to fund any resulting programs in a fiscally responsible manner as well as which accounts might be appropriate to execute these programs. The administration intends to continue its exchange with the Congress as the outlines of our proposed cooperative effort take shape. I look forward to providing additional details to you and your staff as soon as possible.

