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Senator Casey, Ranking Member Risch, Members of the Committee, thank you for your invitation to testify today on the critical issue of impeding the flow of ammonium nitrate in South Asia. On behalf of Secretary Clinton and Ambassador Holbrooke, the Department is appreciative of the helpful role this subcommittee has played in drawing attention to important issues in South and Central Asia and your leadership, Mr. Chairman, in trying to find a solution to the lethal problem of Improvised Explosive Devices (IEDs). The bipartisan Senate Resolution 570 that passed this chamber in June and called for an increased effort by the governments in the region to monitor and regulate ammonium nitrate was an important step forward in bringing awareness to this endeavor.

Given the interagency nature of our efforts to combat the IED assembly line out in the field, I am pleased to be joined today by my colleagues from the Department of Defense and the Department of Homeland Security.

As you know, IEDs are responsible for the vast majority of Coalition fatalities and injuries and are the cause of significant civilian deaths among Pakistani and Afghan citizens. These deaths are the result of a complex and global network of both legal and illegal activities that facilitate the flow of lethal aid into Afghanistan from neighboring countries, including Pakistan.

A majority of these IEDs are constructed from the fertilizer calcium ammonium nitrate (CAN), which is a legally and legitimately traded dual use product. CAN, as it is commonly known, is not widely used to support agriculture production in either Afghanistan or Pakistan.

On January 21, 2010 President Karzai signed a Presidential Decree banning the import, production, transportation, use, sale and storage of ammonium nitrate fertilizer. The decree also authorized the Afghan National Security Forces (ANSF) and International Security Assistance Force (ISAF) to seize existing supplies in Afghanistan after a one month grace period for farmers, who could hand over their supplies in return for compensation for a more effective urea-based fertilizer. However the importation, production and distribution of ammonium nitrate for use in the mining and construction sectors is still legal throughout Afghanistan. While there are regulations in place to monitor and control the use of CAN for mining and construction, to date, no permits have been issued by the government for these purposes. In the absence of these permits, search and seizure authority exists for ammonium nitrate in any form.

The Office of the Special Representative for Afghanistan and Pakistan coordinates the Department of State's counter-IED response. Our three-pronged strategy is to: 1) work cooperatively with both the governments of Afghanistan and Pakistan to develop their domestic regulatory regimes; 2) address issues of trans-shipment, and, 3) address the smuggling issues.

Our embassies in Kabul and Islamabad are actively engaged with the governments in both Afghanistan and Pakistan to raise the profile of this critical issue and encourage our partners to take concrete action to combat IEDs.

I returned from Pakistan yesterday, where we discussed this issue with the Government of Pakistan and our international partners. The Government of Pakistan has recently established a National Counter-IED Forum that seeks to develop a national strategy to combat IEDs and coordinate the Government's response. During the recent U.S.-Pakistan Strategic Dialogue, Pakistan announced that its National Counter-IED Forum will host a seminar on November 25 as a first step in developing a national strategy. This seminar will bring together Pakistani

stakeholders as well as members of the international community to discuss legislative and law enforcement strategies to combat the proliferation of IEDs and halt the flow of their deadly inputs. This seminar will establish the foundation on which Pakistan will build its counter-IED strategy. In addition, Pakistan is engaged in law enforcement activities directed at stemming the flow of illegal shipments of CAN and pre-cursor explosive materials into Afghanistan.

While urea and di-ammonium phosphate are the prominent fertilizers in Pakistan, we know that two plants – the Pak-Arab Fertilizer in Multan and the National Fertilizer Corporation in Lahore – legally produce ammonium nitrate fertilizer. The website for the Pak-Arab plant in Multan states that ammonium nitrate fertilizer is produced on demand only and not for general export. Pakistan customs data reports that in 2009, Pakistan imported ammonium nitrate fertilizer from Sweden, Germany, Russia, China and Iran. Given the low level of usage for ammonium nitrate fertilizer in Pakistan's domestic agricultural use, the customs data indicates that import levels far exceed domestic usage and thus may have been legally transshipped onward to Afghanistan.

To raise global awareness of the trans-shipment of fertilizer into the region, the State Department worked cooperatively with the Department of Homeland Security to launch Operation Global Shield. This program brings together the expertise of the World Customs Organization, Interpol, and the United Nations Office of Drugs and Crime to monitor the trade flows of twelve pre-cursor chemicals, including ammonium nitrate, in an effort to raise global awareness of the harmful effects of the flow of these products on our troops in Afghanistan and improve the ability of customs and border officials in Afghanistan, Pakistan and the Central Asian states, to identify and seize pre-cursor materials smuggled across the Afghan border to be used in the manufacture of IEDs.

Ambassador Holbrooke and our team at the State Department are working to raise awareness of the IED issue beyond Afghanistan and Pakistan. On August 16, the Department demarched 62 countries to urge participation in Operation Global Shield. The State Department was pleased to fund the initial training session to launch Operation Global Shield in Brussels in October at the World Customs Organization. The Department is also working with private industry to develop alternative, less explosive variants of CAN with the goal of encouraging fertilizer producers in the U.S., Pakistan and elsewhere to adopt technologies to make their products less useful in IEDs.

Pakistan is engaged on the counter-IED issue, and although its efforts are nascent, it is working constructively to develop a coherent strategy to stop the proliferation of IEDs into Afghanistan. Embassy Islamabad will support follow-on training in early December in Karachi to train front line Pakistani customs officers on interdiction techniques for IED pre-cursors. We are pleased that senior Pakistani military officers from Pakistan's Explosives Ordnance Disposal Company will also attend this training. This is among the first times that the Pakistani military provided training to Customs officials and marks an important step both for capacity building and for interagency cooperation.

We will continue to work with our interagency partners to encourage the Government of Pakistan to take swift and concrete action against IEDs and actively promote implementation of initiatives in support of this goal. We will also continue to help the Government of Afghanistan work to enforce their ban on ammonium nitrate and to aid in the detection and seizure of the substance. Most importantly, we encourage direct engagement between Afghanistan and Pakistan to ensure that cooperation between civilian and military agencies on both sides of the border is at the center of efforts to limit the flow of IED components in the region.

Mr. Chairman, we look forward to continuing to work with your office on this important issue in the months ahead. I look forward to taking your questions.