

**STATEMENT OF KAREN B. STEWART
AMBASSADOR-DESIGNATE TO
THE LAO PEOPLE'S DEMOCRATIC REPUBLIC
SENATE FOREIGN RELATIONS COMMITTEE**

September 22, 2010

Mr. Chairman and Members of the Committee,

Thank you for the opportunity to appear before the Committee today. It is a great honor to be nominated by President Obama to be the U.S. Ambassador to the Lao People's Democratic Republic. I am grateful for the President's confidence and to Secretary Clinton for her support of my nomination. If confirmed, I look forward to working with the Committee and other interested members of Congress to advance U.S. interests in Laos.

I have served my country as a Foreign Service officer since 1977. I have previously represented the U.S. Government in Laos as the Deputy Chief of Mission from 1999 to 2001 and as an economic reporting officer in the 1980's. I am deeply committed to public service and to improving our bilateral relationship with Laos. From my previous work experience in Vientiane and in other areas of the world, I have gained the knowledge and the skills necessary to advance our foreign policy goals. I am a firm believer in civic engagement and investing in the future, and I am also dedicated to public outreach and engaging students at the secondary and university level. If confirmed, it would be an honor to return to Laos and represent our country as Ambassador.

The U.S. relationship with Laos has developed steadily since the restoration of full diplomatic relations in 1992. More than ever, the Lao Government is growing more open and responsive to U.S. engagement. This year has seen an elevation in the level of official exchanges between the United States and Laos. In March, Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell for the first time led the U.S. side of an annual Comprehensive Bilateral Dialogue. In July, Deputy Prime Minister/Foreign Minister, Thongloun Sisoulith visited Washington at the invitation of Secretary Clinton; and this was the highest-level visit from Laos since 1975. These visits reflect the broader areas of cooperation that have developed in our bilateral relationship with Laos.

In recent years, our economic partnership has also strengthened. Since the establishment of Normal Trade Relations in 2004, U.S. trade with Laos has increased seven-fold to \$64 million in 2009. U.S. exports to this least developed country have more than tripled, with most of those exports being industrial goods. With U.S. exports to Laos eligible for Ex-Im Bank financing since last year, there are now more opportunities for U.S. exporters to conduct business in Laos. In 2009, the United States had approximately 26 active foreign investment projects in Laos. Additionally, the U.S.-Laos Open Skies Agreement was signed last July as the first step to aviation market development between our countries. As an economic officer by specialty, I will do my best to promote U.S. trade and investments in Laos.

The United States supports a small technical assistance program, administered by USAID, to help the Lao Government make the regulatory and legislative adjustments necessary to implement fully the Bilateral Trade Agreement and to prepare for WTO accession. These steps are key elements to improving its domestic governance and build a rule of law-based society in Laos.

Another major step forward in bilateral relations came with the opening of a U.S. Defense Attaché Office (DAO) in Laos in December 2008, and a reciprocal Lao office in Washington shortly afterward. The DAO's initial assistance programs have focused on English language training – to facilitate Lao military participation in international exchanges – and capacity building for Lao military health providers. Laos has become a more active participant in regional security forums, including those sponsored by U.S. Pacific Command. I intend, if confirmed, to work with the Defense Attaché and further developing this trend toward greater understanding and cooperation on security issues.

The United States and Laos have many shared interests and have cooperated closely in a number of key areas, including the recovery of the remains of our service members and civilians missing in action from the Southeast Asia war era. Our government has made a solemn commitment to achieving the fullest possible accounting for the Americans still missing from the conflict in Southeast Asia, including Laos. I deeply respect this commitment and, if confirmed, I will devote my full attention to building on the long history of successful cooperation on this important humanitarian endeavor that has been at the foundation of our bilateral relationship.

I am also committed to helping the Lao Government with their efforts to reduce unexploded ordinance associated with the Vietnam War era. Our goal is to help Laos become as “impact free” as possible of its explosive contamination, which claims roughly 300 victims per year, and the country has made major strides in that direction. I appreciate Congressional support for this noble humanitarian effort. If confirmed, I will work hard to ensure that U.S. Government assistance helps build a safer society for the Lao people.

The United States and Laos also have a common interest in combating transnational threats such as terrorism, trafficking in narcotics and persons, money laundering and other financial crimes, pandemic diseases and environmental degradation. Laos has been a strong partner with our Centers for Disease Control in addressing outbreaks of avian influenza. Laos has also made great progress in reducing the production of opium. Illicit opium cultivation in Laos has been driven down from some 42,000 hectares in 1989 to around 2,000 hectares in the 2008-9 growing season. However, new drug challenges have emerged with the local use and international trafficking of methamphetamines.

If confirmed, I would undertake this position as Ambassador with an overall sense of real opportunity to interact with the Lao government to effect positive change and to expand further the solid basis for cooperation. At the same time, I am attuned to and intend to address forthrightly the Lao government’s poor record regarding human rights. If confirmed, I intend to press the Lao government on human rights issues and encourage its authorities to adhere to international human rights standards.

Of particular concern to me is the manner in which the Lao Government treats several thousand Lao Hmong who were forcibly returned to Laos from Thailand in December 2009. This group includes 159 Lao Hmong who have been referred to the international community for resettlement by the UN High Commission for Refugees, based on UNHCR’s determination that they have a well-founded fear of persecution in Laos. Seventy of the 159 were referred to the United States. I will make it a priority, if confirmed, to continue to work with Lao authorities and with appropriate international agencies to ensure verifiable humanitarian treatment of Lao Hmong returnees and resettlement to third countries for those who are eligible.

Finally, the welfare and safety of American citizens traveling or working in Laos will always be a top priority. If confirmed, I will ensure that the U.S. mission in Laos provides accurate and timely information on any risks Americans may face in Laos along with advice on precautions they should take. Plans are now in place to begin construction in 2011 of a New Embassy Compound that will meet current security standards and provide a safe working environment for the dedicated and highly capable American and Lao staff members of the U.S. mission. I look forward, if confirmed, to seeing the completion of this new facility.

Mr. Chairman and Members of the Committee, thank you for this opportunity to appear before you today. I am pleased to answer any questions you may have.