

TESTIMONY OF LUIS ARREAGA
AMBASSADOR-DESIGNATE TO THE REPUBLIC OF ICELAND
SENATE FOREIGN RELATIONS COMMITTEE

July 22 2010

Madam Chair, and Members of the Committee,

I am honored to appear before you as President Obama's nominee to serve as the United States Ambassador to the Republic of Iceland. I am deeply grateful for the trust the President and Secretary Clinton have placed in me. If confirmed by the Senate, I pledge to work with you and your colleagues in Congress to advance our interests in Iceland.

I was born in Guatemala to a migrant worker and an elementary public school teacher whose sacrifice and teachings inspired me to come to this great country and become one of its adopted citizens. I have many people to thank for this moment and I cannot name them all. I do want, however, to single out my beloved family, for they have been a source of inspiration and indispensable support. Foremost is my wife Mary, to whom I owe everything. My children and other family members are here to share this special moment. They include my daughter Melania, son-in-law Vince, granddaughter Elena, and my sons Juan Carlos and Luis.

I believe my long career in the Foreign Service has helped me develop the experience and leadership skills to effectively represent the United States in Iceland. I have served in Latin America, Europe, and Canada and have great respect for the importance of strong U.S. allies for the well-being and security of the American people.

Iceland is a strong partner and ally of the United States. It is a country with which we share many values that define our respective nations: a love of freedom, independence, entrepreneurship, and hard work. It is an integral member of the transatlantic community of nations, and a country that has contributed much to peace, stability and prosperity around the world. Iceland is a NATO founding member and has contributed personnel to peacekeeping operations around the world under different multilateral umbrellas. Iceland recently reiterated its commitment to Afghanistan despite tough economic conditions at home. Although the Keflavik Naval Air Base closed in 2006, NATO continues to operate an important radar defense system there, highlighting Iceland's continuing contribution to our overall security.

Iceland is a staunch supporter of humanitarian causes. Icelandic Search and Rescue teams have provided life-saving services in the wake of earthquakes in Turkey, Algeria, Morocco, and most recently, Haiti. Iceland's team was one of the first to respond to the Haiti tragedy, arriving within 24 hours of the earthquake. We are especially grateful for Iceland's evacuation of U.S. citizens and permanent residents from Haiti in the aftermath of the earthquake.

Iceland faces tough economic challenges resulting from the banking sector crisis of 2008. It endured the hardship and shock of going suddenly from being one of the world's wealthiest countries to accepting an IMF stabilization program. This left Iceland with record public, business, and consumer debt obligations, high unemployment, and high inflation. The good news is that Iceland is making important progress in putting its economy on a sound footing.

Our commercial ties to Iceland are strong. American aluminum companies are significant investors in Iceland. As Iceland looks for new ways to utilize its geothermal and hydroelectric power, new opportunities to expand the operations of U.S. companies will emerge.

Iceland is a world leader in the development of renewable energy resources, especially the use of geothermal and hydro energy for power and heat generation. The United States and Iceland have a strong record of cooperation in this field, one of growing importance in a 21st century green economy.

Finally, Iceland's volcanic activity made headlines around the world recently when ash clouds grounded flights and disrupted world travel and trade. Iceland's economy suffered as well. Although the volcano is no longer active, it was a reminder of the importance of contingency planning for natural disasters.

Madam Chair, our bilateral relationship provides important benefits to both countries in security, energy, trade, the environment, investment, and humanitarian causes. If confirmed, I will endeavor to strengthen our cooperation in these areas and to safeguard American citizens. I thank you again for the privilege of appearing today. I welcome your questions.