

Senate Committee on Foreign Relations
Senator Richard Lugar
Statement for Nomination Hearing of Reuben Jeffery
June 12, 2007

I am pleased to welcome Reuben Jeffery to the Senate Foreign Relations Committee. As a member and former Chairman of the Agriculture Committee, and as a farmer, I have had an intense interest in the performance of the agency he currently heads, the Commodity Futures Trading Commission. I applaud the work Chairman Jeffery has done in that post, and I am encouraged that President Bush has nominated a candidate with such diverse experience to be Undersecretary of State for Economics, Energy, and Agriculture Affairs.

This State Department post requires a range of managerial and substantive experience that very few candidates possess. The nominee would be the principal adviser to the Secretary of State on matters of economic, energy, business, and agricultural policy and would coordinate and supervise implementation of that policy.

I have often spoken of the need to draw talented individuals from the private sector into public service. Given the potential loss of privacy, the reduction in pay, the financial restrictions, and other complications, government service often holds little attraction for men and women who have built thriving careers in the private sector. The nominee before us is one who has made personal and financial sacrifices to pursue difficult assignments in the service of our nation, including time in Iraq.

Chairman Jeffery entered government service from the partnership at Goldman Sachs, where his achievements included managing the London and Paris offices. He served as Special Advisor to the President for Lower Manhattan Development, then went to work for the Coalition Provisional Authority in Iraq, before returning to Washington as the Senior Director for International Economic Affairs on the National Security Council.

Chairman Jeffery's impressive experience in the private sector and the versatility he has demonstrated in his public service led the President to nominate him for this position. In my conversations with Chairman Jeffery, he has demonstrated a facility with a broad range of topics related to international economic policy.

In my judgment, U.S. strategic objectives in the world are unlikely to be achieved if progress is not made on the policy issues that Chairman Jeffery would oversee. We need progress on expanding trade relationships, improving the performance of the multi-lateral development banks, and bolstering international agriculture cooperation. These are areas where the United States should be leading the world to new accomplishments that strengthen the global economy.

Of particular importance is the energy component of the job. During the past two years, this Committee has examined rigorously the national security threats associated with U.S. dependence on foreign energy sources. Testimony from thirteen hearings in the 109th Congress pointed to the inescapable conclusion that our energy vulnerability threatens a broad range of

U.S. foreign policy goals, including preventing weapons proliferation, overcoming terrorism, and promoting international development. Governments control as much as 79 percent of the world's oil reserves, and production and supply decisions are often made for political reasons. Meanwhile high oil prices are emboldening hostile governments. This Congress continues to debate our future role in the Middle East, yet our options are limited by the fact that our economy is dependent on steady supplies of oil from that region.

Despite the centrality of energy to our diplomacy, State Department capacity in this area has often suffered from inattention and split authorities across the Department. Yet there is reason for optimism. I am encouraged that the full Senate is now set to consider legislation I first introduced in March 2006, the Energy Diplomacy and Security Act, which aims to reinvigorate U.S. energy diplomacy and strengthen our security.

Already, Secretary Rice has taken the initiative to implement a new International Energy Coordinator position, contained in my legislation, and has embarked on valuable initiatives with Europe and Brazil. The next Under Secretary for Economic, Energy and Agricultural Affairs must play a major role in addressing the risks and opportunities presented by the energy challenges that confront us.

I appreciate Chairman Jeffery's enthusiasm for this part of his portfolio and his eagerness to work with our Committee. I look forward to an excellent partnership that advances U.S. energy security and diplomacy.